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# ***Daily Report***

## **China**

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# Daily Report China

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1 April 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### UN Security Council Discusses Airline Bombings

#### Envoy Calls For 'Fair' Solution

OW3103200592 Beijing XINHUA in English  
1931 GMT 31 Mar 92

[Text] United Nations, March 31 (XINHUA)—China today called on the various concerned parties to find "a fair and reasonable solution" to the dispute arising from the bombing of two Western airliners.

"We sincerely hope that the international community will continue to work for a fair and reasonable solution to this dispute so that the implementation of the sanction measures against Libya could be duly avoided," Li Daoyu, China's permanent representative to the United Nations, told a Security Council meeting this afternoon.

Speaking before the Security Council voted on a resolution to impose economic and diplomatic sanctions against Libya for its alleged involvement in the bombing of Pan Am Flight 103 and French UTA [Union de Transports Aeriens] Flight 772, Ambassador Li also urged Libya to adopt "a cooperative attitude" in an effort to remove the differences through consultations and dialogue.

Britain, France and the United States accused Libya of responsibility for the two incidents, which killed a total of 441 people, in 1988 and 1989 and asked it to hand over the suspects for trial. Libya however denied the charges.

The Chinese ambassador stressed that "in principle, we do not support imposing sanctions against Libya by the Security Council, because sanctions will not help settling the question, but rather further complicate the issue, aggravate the regional tension and effect serious economic consequences on the countries concerned in that region."

He expressed the Chinese Government's resolute opposition to and strong condemnation of all forms of terrorism, saying that China, like other countries, believes that due punishment should be given to terrorists.

However, he stressed, such punishment "should be based on conclusive evidence and conform to international law and the relevant international conventions."

"China is in favor of conducting serious, thorough, fair, and objective investigations on the bombing incidents in accordance with the U.N. Charter and the relevant principles of international law," he added.

Saying that China stands for settling international disputes through peaceful consultations, Ambassador Li expressed his support to the U.N. secretary-general and other parties concerned in continuing their good offices on this issue.

China abstained in the vote on the resolution, which was adopted by a vote of 10 in favor with five abstentions.

### Sanctions Imposed on Libya

OW3103231292 Beijing XINHUA in English  
2243 GMT 31 Mar 92

[Text] United Nations, March 31 (XINHUA)—The U.N. Security Council today decided to impose broad sanctions against Libya for its alleged involvement in the bombing of two Western airliners and its refusal to turn over two suspects for trial in Britain and the United States.

Under a resolution adopted by a vote of 10 in favor with five abstentions at a meeting today, the Security Council ordered all states to cut off all air links with Libya, impose an arms embargo and reduce the number of Libyan diplomats and restrict the movement of the remaining ones.

The sanctions followed Libya's failure to implement an earlier Security Council resolution, which called on Libya to "provide a full and effective response" to the requests of Britain, France and the United States concerning the bombing of Pan Am Flight 103 over Lockerbie, Scotland, in 1988 and French UTA Flight 772 in the following year over West Africa.

A total of 441 people were killed in the two incidents, for which the three countries accused Libya of responsibility.

Among the three countries' requests is the extradition of the two Libyans, whom Britain and the United States accused of involvement in the bombing of the Pan Am flight and whom the two countries want for trial.

France also seeks four other Libyans, whom it charged were responsible for the explosion of the French airliner.

Libya denied any involvement in the two incidents and said it had started its own investigation in the matter.

The council gave Libya until April 15 to comply with the requests, saying the sanctions will take effect on that date.

It is the second time for the Security Council to impose such wide-ranging sanctions against a member country for defiance of its resolutions.

The Council in 1990 clapped comprehensive economic sanctions against Iraq following its invasion of Kuwait.

The sanctions against Libya, which will last until the Security Council decides that the Libyan Government has complied with its current resolution, were adopted under Chapter VII of the U.N. Charter and are thus mandatory for the U.N. member countries.

The resolution asked the Libyan Government to "comply without any further delay" with the requests of the three countries, "commit itself definitively to cease



all forms of terrorist action and all assistance to terrorist groups" and "promptly, by concrete actions, demonstrate its renunciation of terrorism."

Of the 15 Council members, China, Cape Verde, India, Morocco and Zimbabwe abstained while the other 10 voted in favor of the resolution.

In his speech at the meeting, Indian Ambassador Chinmaya Gharekhan said his country has some differences with the co-sponsors of the resolution—Britain, France and the United States—about the methods and means suggested at this stage although he expressed his understanding of and support for the resolution's primary objective of serving an unambiguous notice to all those engaged in acts of terrorism.

He pledged that India will continue to strive, together with the non-aligned and other delegations including the sponsor countries, for the promotion of an early, negotiated solution to the political issues being addressed in the resolution.

Zimbabwean Ambassador Simbarashe Mumbengegwi noted that the dispute which is the subject of the resolution is also the subject of consideration at the International Court of Justice, the judicial arm of the United Nations.

"By taking the Chapter VII route while this case is still pending before the world court, the Security Council is risking a major institutional crisis," he added.

He called for adherence to the U.N. Charter and other international conventions by the Council in making its decisions and taking actions.

In his speech, Libyan Ambassador 'Ali Ahmad al-Rudayri again denied his country's implication in any act of terrorism and asked the U.N. secretary-general to send an envoy to confirm or deny allegations to that effect.

He also expressed his country's readiness to cooperate with the Security Council in a manner that will not harm its sovereignty or international law.

"Libya will cooperate fully so that the truth can be made clear" and thus "put an end to all direct or indirect acts of terrorism," he said.

He promised to hand over the suspects to a third party for a just and fair trial under the U.N. secretary-general's personal supervision.

Speaking to reporters after the meeting, Diego Arria, president of the Security Council for the month and ambassador of Venezuela to the United Nations, said however that the Security Council resolution should not be perceived as an action against the International Court of Justice, which as the Security Council has its own procedures and mechanism.

He added that although one third of the members abstained, the resolution represented "a very clear message" and that there was shared value collectively by the Council against terrorism.

But he said that a mechanism will have to be worked out to start implementing the resolution on April 15, a date which he said was set to give more time for reflection on the matter and for the resolution to work.

Meanwhile, non-aligned members of the council including Cape Verde, Ecuador, India, Morocco and Zimbabwe have asked for a meeting with the countries, which sponsored the resolution, this afternoon to further discuss the matter.

### Libya Criticizes 'Unfair Measures'

OW0104101292 Beijing XINHUA in English  
0902 GMT 01 Apr 92

[Text] Cairo, April 1 (XINHUA)—Libya has denounced the U.N. sanctions against it as "unjust and unfair measures that violate international law," reports from the Libyan capital of Tripoli said.

The state-run television said on Tuesday night that the Security Council adopted an "unjust and unfair resolution drafted by the American administration, Britain and France..." The U.N. Security Council approved on Tuesday Resolution 748 with sanctions to force Libya to surrender two men accused of blowing up a U.S. jetliner in 1988 and cooperate in the trial of four accused of bombing a French airliner in 1989. The bombings killed 441 people altogether.

The sanctions, to take effect on April 15, includes air and arms embargo and the expulsion of most of Libya's diplomats.

"The resolution imposes compulsory measures against Libya. The resolution stems from wrong accusations which are completely untrue," the Libyan TV added.

The resolution could be enforced by military action, since it invokes Chapter 7 of the U.N. Charter, which permits the use of force.

"This is a grave precedent and a clear violation of the international laws and treaties acknowledged for solving disputes between members of the international community," the television said.

According to analysts of Libyan affairs here, the sanctions are unlikely to strike Libya hard since its lifeblood, oil, which brings in 95 percent of its foreign income, is left untouched.

Most of Libya's imported consumer goods arrive by sea or truck from Tunisia and Egypt. The air embargo may only prevent average Libyan citizens from traveling abroad, some observers maintained.



**Southwest Region Seeks Ties With Southeast Asia**

OW0104102892 Beijing XINHUA in English  
0911 GMT 1 Apr 92

[Text] Chengdu, April 1 (XINHUA)—Scholars attending an international seminar anticipated that there will be increasing economic cooperation between southwestern China and the countries in Southeast Asia.

The cooperation, pioneered by border trade, is seen as a new trend in China's opening to the outside world, the scholars said. The seminar held in Chengdu last week focused on the opening to the outside world of southwest China and its relations with Southeast Asia.

Southwest China, including Yunnan, Guizhou, Sichuan Provinces, and the Guangxi Zhuang Autonomous Region, with an area and a population one seventh and one fifth of China's total, boasts the richest and the highest concentration of natural resources in China.

The "Southern Silk Road", which started to thrive some 2,000 years ago and lasted until the Second World War, linked southwestern China with the rest of the world closely.

Statistics released at the seminar showed that economic cooperation between southwest China and Southeast Asia began to accelerate in recent years.

In 1991, trading ports at state and provincial levels between Yunnan Province and Myanmar [Burma] and Vietnam increased respectively to five and 12, plus 86 border passages. A Sino-Vietnamese border trade area has also taken shape at the Guangxi and Vietnam border.

Last year, Yunnan's border trade volume exceeded one billion yuan, and that of Yunnan and Guangxi accounted for more than half of the country's total.

Exports of southwest China to Southeast Asian countries made up the backbone of the total exports. Trade volume of the whole country reached 6.3 billion U.S. dollars last year, as compared with 600 million U.S. dollars 16 years ago.

During the seminar, scholars from China, the United States, Germany, Singapore and Hong Kong reached the consensus that because of the relaxed international situation, China's relations with its bordering countries have begun to develop peacefully, and this has provided an ideal environment for bilateral cooperation.

They also pointed out that though the economy of southwest China lags behind some of the coastal areas, it still has advantages of its own, especially in the fields of electronics, aviation and space industries.

**World Travel Group To Promote China Tourism**

OW3103170792 Beijing XINHUA in English  
1610 GMT 31 Mar 92

[Text] Hong Kong, March 31 (XINHUA)—The World Travel and Tourism Council (WTTC) announced today a number of new initiatives for 1992 with one which is committed to help promote travel and tourism in China.

The WTTC is a global coalition of chief executive officers from different sectors of the travel and tourism industry including transportation, accommodation, catering, recreation/cultural and travel service activities.

According to a press conference held here this afternoon following the WTTC annual general meeting, the WTTC Executive Committee met yesterday with a delegation of tourism officials from China led by Liu Yi, director of the National Tourism Administration.

At the meeting, the WTTC agreed to work with the Chinese authorities on a comprehensive basis to develop travel and tourism in China and to help the country achieve its goal of increasing international visitors by 20 percent.

It is learnt that this would involve the WTTC providing advice and recommendations on a broad range of issues including infrastructure, improvement of air transportation services, and on education and training in the travel and tourism sector.

Liu Yi invited the WTTC to a policy roundtable to plan for a joint effort in spurring economic prosperity in China through travel and tourism.

The WTTC has accepted the invitation to attend the travel and tourism roundtable meeting scheduled to be held in Beijing in late September this year.

It is believed that travel and tourism would come close to doubling over the next decade, with the Asia-Pacific region the dominant growth area.

According to the new "WTTC Report, Travel and Tourism, the World's Largest Industry" released today, travel and tourism is expected to produce 3.5 trillion U.S. dollars in gross output by 1993, or 6.1 percent of worldwide GNP. In 1990, the gross output generated by the industry was 2,901 billion U.S. dollars.

As the largest industry in the world which grows faster than the overall economy, it is also the world's largest employer. It is expected to employ 127 million people by 1993. That is one in every 15 workers worldwide.

**'Analysis' Views Development of U.S.-German Ties**

OW3103122292 Beijing XINHUA in English  
1210 GMT 31 Mar 92

[News Analysis by Xia Zhimian: "U.S.-German Relations—More Than Partners"]

[Text] Bonn, March 30 (XINHUA)—The drastic change in the European situation and the German unification have thrown new challenges to U.S.-German relations: Will the long-time partners turn into adversaries or even enemies?

In a document of the U.S. Defense Department disclosed by the NEW YORK TIMES in early March, the U.S. military presented a blueprint for the U.S. global policy for the next century.

The 45-page confidential document said that the two economic powers Germany and Japan are likely to become a serious threat to the United States by possessing nuclear weapons.

The document, holding that the future foreign policy of the United States would be to prevent the emergence of superpowers that would compete with the United States, suggested Washington make use of its military advantages to deter "possible competitors."

Bonn, shocked by the document, lodged a protest through its military attache in Washington.

A spokesman of the White House explained that the document is only a primary study result, while President George Bush said the document merits no serious attention since he himself had never saw it.

Nevertheless, the document is not groundless.

Germany, assisted by the United States over the past few decades, had become by the end of 1980's the No. one economic power in Europe. It wanted to play in the world community a political role commensurate with its economic strength.

The national unification in 1990 greatly strengthened Germany's political and economic strength and increased its population to 80 million.

German Chancellor Helmut Kohl once said that the unified Germany should take the role corresponding to its economic force.

Even President George Bush described Germany as a leading partner of the United States in Europe.

Allies in the European Community yielded to pressure from Germany to recognize Croatia and Slovenia as independent states on December 16, 1991, the day which was termed by German pictorial "STAR" as "marking a turning point in German foreign policies."

This was the first time since the Second World War that Germany left Western escort and made an independent move all on its own on such an important issue, the German newspaper "DIE WELT" said.

A week later, Germany raised its discount rate to a record high without bothering to consult its ec partners, who then were forced to follow suit.

The influential newspaper "THE NEW YORK TIMES" carried a series of articles criticizing Germany for trying to "show its power."

From the American viewpoint, the question is not the recognition of Croatia and the rise of interest rate per se, but the German way of doing things: Putting a fait accompli before the allies, leaving them with no alternatives but accepting its political and economic decisions.

Moreover, the joint efforts by Germany and France to promote Europe's independent defense seems to have an implication of breaking away from American leadership.

Some political analysts said that Germany had turned from "a well-behaved child" sitting on Uncle Sam's lap into a challenger of American leadership.

Former U.S. President Richard Nixon, in his latest book *Seize The Moment*, said that the geopolitical weight of Germany would enable it to play a dominating role not only in Europe's economic framework, but also in its political and security structures.

The Pentagon's document is certainly not fiction expressing anxieties over imaginary dangers, but a representation of the U.S. government's appraisal and assessment of the trends of the united Germany.

The U.S.-German relations seem to be entering upon a new phase, though hardly two years have elapsed since the German unification. The fact that a rising and ambitious Germany is posing challenges to the global leadership of the United States is bound to add contradictions and conflicts to the U.S.-German relationship.

While the existing partnership between the two countries is mostly likely to last for long, one equally cannot rule out the possibility of a swing towards a relationship of adversaries.

**Russia Assures U.S. of Nuclear Arms Destruction**  
OW0104121192 Beijing XINHUA in English  
1025 GMT 01 Apr 92

[Text] Brussels, April 1 (XINHUA)—Russia assured the United States on Tuesday that the transfer of tactical nuclear weapons to Russia from other Commonwealth republics would be completed by July 1, despite Ukraine's opposition to the transfer.

Russian Deputy Defense Minister Pavel Grachev told reporters he had made the promise to U.S. Defense Secretary Dick Cheney during their meeting one day before a NATO and the former Warsaw Pact defence ministers meeting in Brussels.

Grachev said he also told Cheney that hundreds of nuclear warheads now in Ukraine, Belarus and Kazakhstan as well as those in Russia would be stored carefully until their destruction.



Ukraine has suspended the transfer of its short-range nuclear weapons to Russia on the ground that there is no international monitoring for the destruction of the weapons.

**Disarmament Conference Concludes First Session**  
*OW2703213092 Beijing XINHUA in English*  
2002 GMT 27 Mar 92

[Text] Geneva, March 27 (XINHUA)—The first session of the conference on disarmament in 1992 closed here today without any significant achievements.

Participants have focused on the draft Chemical Weapons Convention (CWC) during the 10 weeks of negotiations.

Representatives from 40 countries discussed the institutional issues, site of the CWC organization, inspection and other technical issues.

Sources close to the conference said that participants have expressed their hope to complete the CWC as early as August this year, and have proposed a timetable for reaching the aim.

Talks on a total ban over chemical weapons have been continuing for about 20 years. The sources said that the marathon talk is entering a "final stage."

Differences still remain on the inspection article, protection of the facilities which is not relevant to chemical weapons and security interests of some countries, the sources said.

Next session of the conference, which is the only international mechanism of disarmament in the world, will open early in May.

**United States & Canada**

**Trade Delegation Brings 'New Proposals' to U.S.**  
*HK0104013292 Hong Kong SOUTH CHINA*  
*MORNING POST (BUSINESS POST) in English*  
1 Apr 92 p 1

[By Michael Chugani in Washington]

[Excerpt] A Chinese delegation in Washington for top-level talks with U.S. officials has brought a set of proposals aimed at lowering mainland trade barriers to foreign goods, says delegation leader Tong Zhiguang.

Mr Tong said he had come with a package of new proposals aimed at lowering China's trade barriers to foreign goods and expressed the hope that these new proposals would be accepted by the American side.

Mr Tong, the Vice-Minister for Trade, said he hoped the negotiations with the Americans would end much sooner than the October 10 deadline set by Washington.

"But it takes two sides to reach an agreement," Mr Tong said.

Referring to the last round of talks in Beijing which China claimed had made progress but which the Americans said had been stalled, Mr Tong said it was an individual's judgement as to whether progress had been made.

He said the Chinese side had been "very reasonable" in its efforts to reach an agreement with the U.S. and it was now up to the Americans to agree to a deal.

The latest round of talks is expected to be concluded by the end of the week. [passage omitted]

**U.S. Trade Official Admits Barriers Exist**  
*OW3103011092 Beijing XINHUA in English*  
2228 GMT 30 Mar 92

[Text] Washington, March 30—There is no question about the fact that United States has its own trade barriers, a senior official of the office of the U.S. Trade Representative (USTR) conceded today.

During a news conference to release the 1992 USTR report on foreign trade barriers, Gary Edson, general counsel of the USTR, said, "we have put many of those barriers on the table for negotiation in the Uruguay Round" of multilateral trade talks in Geneva.

For example, U.S. barriers in the agricultural sector, namely, subsidies, and a variety of other barriers, are out for negotiation.

Edson said the U.S. will eliminate these trade barriers only "if we can get the rest of the world to agree to do likewise. We are just not going to unilaterally disarm."

Speaking on the report, he said that it covers barriers that are both consistent with international trade rules, such as high tariffs, and barriers that are inconsistent with international rules.

Examples of the barriers include restrictive import policies, export subsidies, deficiencies in intellectual property protection, and investment and services restrictions.

The report covers 43 countries and two regional trading blocs—the European Community and the Gulf Cooperation Council.

"Wherever possible, we've tried to quantify the impact of those barriers on U.S. exports," Edson said.

U.S. Trade Representative Carla Hills said in a statement that a great many of the barriers listed in the report could be removed by a successful conclusion of the Uruguay Round of world trade talks.

Edson said the U.S. has achieved "significant successes" in eliminating trade barriers and opening markets in other countries since the release of last year's report.

For example, in the summer of 1991, Mexico passed a world class law protecting intellectual property. China, in a groundbreaking agreement, is committed to protecting U.S. software, pharmaceuticals, sound recording trade secrets, other inventions and copyrighted works.

Edson also complained that significant trade barriers remain throughout the world.

#### **U.S. Ends Voluntary Steel Trade Restraints**

*OW0104024892 Beijing XINHUA in English  
2342 GMT 31 Mar 92*

[Text] Washington, March 31 (XINHUA)—U.S. Trade Representative Carla Hills announced Tuesday that the protectionist voluntary restraint arrangements on steel imports to the United States terminated today.

The arrangements were established under a transitional program to give the U.S. steel industry time to adjust and modernize and provide an opportunity to negotiate a multilateral steel agreement to eliminate trade distorting practices, the office of the U.S. Trade Representative (USTR) said.

With the termination of the voluntary restraint arrangements, Hills said, "the steel industry, like every other industry, will be able to rely on trade laws to remedy unfair trade practices. The United States will vigorously enforce these laws."

The USTR said that the Bush administration has been negotiating a multilateral steel agreement under the auspices of the General Agreement on Tariffs and Trade (GATT) to eliminate subsidies, tariffs and non-tariff barriers and to establish an effective dispute settlement procedure to provide remedies if violations occur.

However, negotiators in Geneva have been unable to conclude such an agreement because of the opposition of certain countries to strict subsidy disciplines.

Countries negotiating a multilateral steel agreement failed to reach agreement at today's deadline to eliminate subsidies and other barriers to global steel trade, Rufus Yerxa, deputy U.S. trade representative, reported today from Geneva.

He said that the United States cannot accept an agreement that lacks "meaningful disciplines" over subsidy practices and unduly restricts U.S. ability to use domestic trade laws to counter those practices.

Hills said that she remains hopeful that the negotiations on a multilateral steel agreement will conclude satisfactorily.

"By eliminating the trade-distorting practices that have plagued this industry in the past, such an agreement would represent a significant accomplishment for the major world steel producers," she said.

#### **State Councillor Song Jian Meets U.S. Professor**

*OW3003090092 Beijing XINHUA in English  
0842 GMT 30 Mar 92*

[Text] Beijing, March 30 (XINHUA)—Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met here this afternoon with Prof. S.T. Yau, an American-Chinese mathematician and professor at Harvard University.

Prof. Yang Lo, China's leading mathematician and director of the Institute of Mathematics of the Chinese Academy of Sciences, attended the meeting.

Prof. Yau arrived here earlier today for a week-long visit to China. During his stay in China, he will give lectures and conduct academic exchanges with Chinese colleagues.

#### **Bush Sets Conditions for UN Environment Summit**

*OW3103030892 Beijing XINHUA in English  
2351 GMT 30 Mar 92*

[Text] Rio de Janeiro, March 30 (XINHUA)—U.S. President George Bush has set conditions for his participation in the United Nations Conference on Environment and Development scheduled to be held here June this year, conference sources disclosed here today.

Bush will attend the conference only if developing countries agree to negotiate a convention, and not only a principled statement, on tropical forests at the end of the conference, the sources said.

The other conditions set by Bush consist in refraining from the creation of a so-called green fund to finance environment projects and holding the developing countries responsible for environmental damages, they added.

### **Central Eurasia**

#### **CPC Delegation Visits Tajikistan, Holds Talks**

*OW3103150592 Beijing XINHUA Domestic Service  
in Chinese 0909 GMT 28 Mar 92*

[Text] Beijing, 28 March (XINHUA)—According to a news dispatch from Dushanbe, a CPC delegation paid a three-day goodwill visit to Tajikistan at the invitation of the Communist Party of the Republic of Tajikistan.

The CPC delegation, led by Li Shuzheng, alternate member of the CPC Central Committee and deputy director of the International Liaison Department of the CPC Central Committee, arrived in Tajikistan on 18 March. Five principal leaders of the Central Committee of the Tajikistan Communist Party, including Chairman Shodiy Shabdolov, held sincere and friendly talks with the delegation during the period of their visit. Both sides briefed each other on their respective domestic situations as well as the party's guiding principles, policies, and tasks. The CPC delegation gave a briefing on



China's situation of accelerating reform and opening to the outside world. The briefing was well received by the Tajikistan Communist Party. Both sides unanimously agreed to establish and expand relations between the two parties on the basis of independence, complete equality, mutual respect, and noninterference in each other's internal affairs. Meanwhile, both sides exchanged views on the issue of mutual cooperation.

Both sides were satisfied with the results of the CPC delegation's visit and expressed that they will make joint efforts to promote continuous development of friendly, cooperative relations between China and Tajikistan as well as the traditional friendship between the peoples of the two countries.

Before their arrival in Tajikistan, the CPC delegation also visited Kazakhstan, Uzbekistan, and Turkmenistan. The delegation ended their visit to Tajikistan and returned home on 20 March.

#### **Tajikistan Rally Urges Government To Resign**

OW0104044692 Beijing XINHUA in English  
0403 GMT 1 Apr 92

[Text] Moscow, March 31 (XINHUA)—About 15,000 people gathered in Dushanbe, capital of Tajikistan, for the fifth day in a row demanding dissolution of the parliament of Tajikistan and the resignation of its speaker and of the government.

Reports from INTERFAX and Russian television said the rally was triggered by a proposal of the parliament headed by Safarali Kendzhayev asking President Rakhman Nabiyev to dismiss the Minister of Home Affairs Makhmadayaz Navdzhuvanov after charging him of abusing power and squandering state property.

Hundreds of college students gathered in front of the governmental building last Friday in protest of the proposal and did not leave after the authorities announced the reinstatement of Navdzhuvanov.

President Nabiyev warned over radio that the protesters did not respect the law and were putting pressure on the legitimate government, which will only stir up turmoil in the country.

He tried to seek a solution to the problem in an urgent consultation with leaders of various political parties, including opposition parties and social groups, but did not achieve the expected result.

#### **Zou Jiahua Meets Kazakhstan Visitors**

OW3103152192 Beijing XINHUA in English  
1327 GMT 31 Mar 92

[Text] Beijing, March 31 (XINHUA)—Chinese Vice Premier Zou Jiahua met with Sayat D. Beysenov, minister for labor of Kazakhstan, and his party at the Great Hall of the People here today.

During the meeting, Zou briefed the guests on China's reform and opening to the outside world and its economic constructions. He hoped the two sides will further develop friendly cooperation in various fields, including cooperation between labor departments of the two countries.

Chinese Minister of Labor Ruan Chongwu attended the meeting.

Beisenov and his party arrived in China March 27 at the invitation of the Ministry of Labor.

#### **Armenian Communist Party To Resume Activities**

OW3103032492 Beijing XINHUA in English  
0203 GMT 31 Mar 92

[Text] Moscow, March 30 (XINHUA)—The Central Committee of the Armenian Communist Party decided in a recent plenum to resume its activities, which stopped last August, the RUSSIAN INFORMATION AGENCY (RIA) reported Monday.

The plenum, the report said, discussed the problem of party organization and decided to hold a national party congress in May. It expects to re-enroll probably 20,000 of its members in the near future.

In "A Letter to the Armenian People", the plenum announced that the party was willing to cooperate with all progressive forces to strengthen the democratic system of the state and free Armenia from its present economic crisis.

#### **Chechen Opposition Seizes Radio-TV Building**

OW3103122492 Beijing XINHUA in English  
1219 GMT 31 Mar 92

[Text] Moscow, March 31 (XINHUA)—Armed personnel opposed to Chechen President Dzhokhar Dudayev today seized the radio-television center in the capital Grozny, the ITAR-TASS news agency reported.

Automatic firearms were reportedly used in the takeover but it was unclear whether or not there had been any casualties.

TASS quoted unconfirmed reports as saying the armed opponents were supported by some sections of the military but that the military as a whole did not interfere.

And the republic's police force had remained neutral, it said.

The Chechen Interior Ministry told reporters it would use force in maintaining social order but would refrain from meddling in political feuds.

Crowds in central Grozny blocked traffic as national guards loyal to Dudayev strengthened defenses around the government building.

Several armored vehicles could be seen in the vicinity.

Sources close to the opposition said they wanted to force Dudayev to step down and dissolve parliament.

The opposition has also demanded that a referendum be held on whether the Chechen republic should remain inside the Russian federation and whether the republic actually needs a president.

The signing ceremony for Russia's Federation Treaty was scheduled for the Kremlin today but Chechen leaders had already indicated they would not sign the document.

#### **XINHUA Reports Rising Unemployment in CIS**

*OW3103005692 Beijing XINHUA in English  
2233 GMT 30 Mar 92*

[Text] Washington, March 30—Unemployment in the former Soviet Union this year may reach 15 million, or 12 percent of the work force, according to a study released here today.

The International Labor Organization (ILO) said in its study that another 30 million in the state enterprises of the former Soviet Union may be pushed into unemployment because they are chronically underemployed.

If only half the excess workers laid off [as received], the unemployment rate would double to 24 percent, almost the same as the jobless rate at the depth of the Great Depression in the United States in 1934.

The ILO also said that 80 percent of the population is living below a poverty income level set at 2,000 rubles a month, or about 20 dollars at unofficial exchange rates.

While there might be a bright future for Russia and other republics once the transition to a market economy is completed, "the tragedy is now. The tragedy is the imbalance between the economic and inadequate social policies during the transition," said Michel Hansenne, director-general of the ILO.

The ILO, a U.N. affiliate with 153 member countries, based its findings in part on the most extensive survey ever of the Russian labor market, which included visits to 500 factories.

### **Northeast Asia**

#### **Jiang Zemin Talks With Japanese Correspondents**

##### **Plans Visit to Japan 6 Apr**

*OW0104100492 Beijing XINHUA in English  
0915 GMT 01 Apr 92*

[Text] Beijing, April 1 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, gave an interview to Japanese correspondents stationed in China at the Diaoyutai State Guesthouse here this morning.

Jiang, who is to visit Japan April 6, answered questions raised by Japanese correspondents on various topics, including Sino-Japanese bilateral relations, and China's domestic and international situations.

##### **Confirms Hold on Islands Claim**

*OW0104121292 Tokyo KYODO in English  
1141 GMT 01 Apr 92*

[Text] Beijing, April 1 KYODO—Chinese Communist Party chief Jiang Zemin confirmed Wednesday that Beijing will shelve its territorial claim over the Senkaku islands for the time being.

In a meeting with Beijing-based Japanese reporters, Jiang also said that during his scheduled trip to Japan on April 6-10, he will request Emperor Akihito's visit to China.

Chinese Foreign Minister Qian Qichen formally invited the emperor to visit China this year in connection with the 20th anniversary of the normalization of Sino-Japanese ties when he visited Japan in June last year.

China enacted a new law in February claiming the islands as its territory, reigniting a dispute with Japan over the islands, known as the Diaoyutai in China.

Jiang said "China has been consistently demanding a settlement through talks over the island issue." He added that Beijing would adopt a proposal made by senior leader Deng Xiaoping on the shelving of its claim over the disputed islands.

As for compensation demands from Chinese civilians who suffered at the hands of the Japanese during World War II, Jiang said the Chinese authorities will not regulate such civilian actions.

A bill demanding 24 trillion yen (about 180 billion dollars) from Japan in compensation for wartime sufferings has been tabled before China's National People's Congress last month.

The issue of war reparations and compensation for the Japanese invasion of China in the 1930s was settled by the two governments when they restored diplomatic relations in 1972.

Jiang told the Japanese reporters "Japan should take adequate measures regarding at least part of the wartime damages to Chinese civilians through bilateral consultations."

He said his coming visit to Japan is aimed at enhancing friendly relations between the two countries in commemoration of the 20th anniversary of the full normalization of relations between Tokyo and Beijing.

Jiang said he would request the emperor's China visit when he meets with Prime Minister Kiichi Miyazawa and Emperor Akihito in Tokyo.



He said he believed an imperial visit would further cement the bilateral relations.

When a Japanese reporter asked Jiang if the emperor should apologize for Japan's invasion of China when he visits the country, he said it is a matter to be considered by the Japanese.

Jiang, who assumed his current post in June 1989, last visited Japan in May 1985 when he was serving as head of the Chinese Government office of the electronics industry.

The Chinese party chief also said that senior leader Deng will continue to play the leading role in promoting a reformist open-door policy, although Deng has officially retired from politics, because he is the chief architect of the policy.

When asked about the rivalry between Deng and conservative leaders, Jiang said the whole Communist Party is united and in harmony with its leadership.

China and Taiwan base their claims over the islands on historical documents dating back to the Ming Dynasty, which ended in the early 17th century.

Japan says it acquired the islands when it annexed the southern chain of Okinawan Islands in 1879, which were returned to Japan along with Okinawa by the United States in 1972.

The seas around the islands are rich fishing grounds and the area is also believed to be holding offshore oil deposits.

The possibility of a China visit by Emperor Akihito in the autumn will become clearer during Jiang's Tokyo visit, according to top ministry sources.

#### Further on News Conference

OW0104130992 Tokyo NHK General Television  
Network in Japanese 1000 GMT 1 Apr 92

[Report on a news conference held by Jiang Zemin, general secretary of the CPC, with Japanese reporters on 1 April in Beijing; Jiang speaks in Chinese with Japanese translation given in subtitles on screen; translated from Japanese]

[Text] CPC General Secretary Jiang Zemin who is scheduled to visit Japan from 6 April held a news conference with Japanese reporters in Beijing today, and explained that the reason for inviting the emperor to visit China is to further friendly relations between Japan and China. He thus made it clear that China will not make the expression of apologies on the past [deeds of Japan in China] a condition to the emperor's visit.

The news conference held at the Diaoyutai Guesthouse in Beijing today lasted more than an hour. Speaking about his visit to Japan beginning on 6 April at the start of the conference, General Secretary Jiang Zemin noted that Sino-Japanese relations have made great progress

since the conclusion of a joint statement 20 years ago; and added that during his visit to Japan he wants bilateral relations to make further progress, looking forward to the future.

He said that he hopes to have fruitful talks with the emperor, Prime Minister Miyazawa, and other leaders.

General Secretary Jiang Zemin then spoke on the question of the emperor making a visit to China, and said:

[Begin recording Jiang Zemin] I am confident that the emperor's visit to China will promote the Sino-Japanese relations. The reason for China inviting him to visit is to further relations between the two countries. I think Japan should decide what he should say at the time of the visit. [end recording]

Speaking in this manner, General Secretary Jiang Zemin made it clear that China has no intentions of making it a condition to the emperor's visit, that he express apologies on the so-called past deeds of Japan.

General Secretary Jiang Zemin also spoke about the fact that China recently enacted a law claiming the Senkaku [Diaoyutai] Islands as territories of China. He said that there has been no change from the stand which was expressed by Mr. Deng Xiaoping in this connection in the past. He thus reconfirmed the stand of shelving the issue.

Regarding reports that there are moves in China at the private level to file claims with Japan in quest of reparations for World War II, he said that as far as reparations on the war are concerned, there has been no change in the position declared in the Sino-Japanese Joint Statement. He thus reaffirmed that China has no intention of changing its stand that the country has abandoned the right for war reparation claims.

#### NPC Chairman Wan Li Meets Japanese Guests

OW3103152592 Beijing XINHUA in English  
1318 GMT 31 Mar 92

[Text] Beijing, March 31 (XINHUA)—Wan Li, chairman of the Chinese National People's Congress (NPC) Standing Committee, met with Seiji Toyama, president of the Japan Green Desert Association, and a group of over 60 Japanese friends from various circles at the Great Hall of the People here today.

Wan welcomed Toyama and his party to visit China. He praised Toyama for his engaging in an undertaking which benefits mankind and future generations.

China, too, attaches great importance to the protection of the environment, he said.

"Toyama has devoted himself to harnessing deserts and tackling environmental problems, and much of his work has been done for China," Wan said. He hoped that future efforts will benefit from even greater mutual cooperation.

Wan added that jointly planting trees will increase mutual understanding between the two peoples and promote cooperation between the two countries. This cooperation is mutually beneficial and has a positive effect on Asian and world peace, he said.

The large delegation headed by Toyama and their Chinese counterparts will plant 2,000 metasequoia on Wednesday, creating a "China-Japan Friendship Forest of Peace".

Toyama said he hoped the forests will become an emblem of friendship of the two peoples, and that he can continue to make active contributions to everlasting peace and coexistence between China and Japan.

#### DPRK Pyongyang Delegation Visits Jilin

SK0104064592 Changchun Jilin People's Radio Network in Mandarin 2200 GMT 31 Mar 92

[Text] Upon the invitation of Jilin Province, the eight-member friendship delegation of Pyongyang city in the DPRK, headed by (Hwang Kim-yong), chairman of the Pyongyang city Administrative and Economic Guidance Committee, arrived in Changchun by train on 31 March for a friendly visit to the province.

That very evening, Liu Xilin, vice governor of Jilin Province, met with all comrades of the delegation at Nanhu Guesthouse. Comrade Liu Xilin extended a warm welcome to the delegation. Both sides spoke highly of the militant unbreakable friendship cemented with the blood of the peoples of China and Korea. Under the current international situation, it is very important to strengthen the friendship and unity between the peoples of the two countries. We believe that the current visit by the Pyongyang city friendship delegation will certainly promote the friendly contacts and economic cooperation between Jilin Province and Pyongyang city. After winding up its visit to Changchun, the delegation [words indistinct].

#### DPRK-ROK Nonaggression Talks Stall

OW3103181292 Beijing XINHUA in English 1546 GMT 31 Mar 92

[Text] Pyongyang, March 31 (XINHUA)—The Democratic People's Republic of Korea today repeated its demand for the adoption of a separate agreement before discussing the formation of a joint military commission to implement the non-aggression pact, the KOREAN CENTRAL NEWS AGENCY (KCNA) reported.

This position was reaffirmed at the second inter-Korean military sub-committee meeting on non-aggression since the pact was adopted on February 18.

The pact covers reconciliation, non-aggression and exchanges, with each of the three areas handled by a separate subcommittee.

In the 2 1/2-hour meeting at the border village of Panmunjom, DPRK chief delegate Kim Yong-chol, who led a six-member team, insisted that a separate agreement be signed before a joint military commission could be established, KCNA reported.

He also rejected a South Korean proposal to set up a direct telephone link between the two sides' military headquarters.

The first priority should be the withdrawal of American troops from South Korea and marginal disarmament of both sides' military forces, Kim said.

According to Radio Seoul, South Korean Chief delegate Pak Yong-ok asked the North to drop the demand, saying a separate agreement was against the principles of the non-aggression pact.

The first inter-Korean military sub-committee meeting was held on March 13. The two sides agreed to meet again on April 30.

#### 'Roundup' Analyzes Korean Election 'Setback'

HK0104050392 Beijing RENMIN RIBAO in Chinese 28 Mar 92 p 6

["Roundup" by Xu Baokang (1775 1405 1660): "South Korean Political Situation Becomes More Complicated"]

[Text] On 25 March, the result of the 14th South Korean National Assembly election was published, and the ruling Democratic Liberal Party [DLP] suffered a setback. It only gained 149 seats from the total 299 seats of the National Assembly, while Democratic Party [DP], the largest opposition party headed by Kim Dae-jung, increased its seats to 97. The Unification National Party [UNP], just formed in February, is a new force suddenly coming to the fore and has secured 31 seats. The independents have risen from the previous 8 to 21 seats. This is the second time in recent years that the situation of "the ruling party having fewer seats than the opposition" emerged in South Korea. The political situation in South Korea tends to be complicated, which will have an impact on the presidential election later this year.

In the 13th National Assembly election held in 1988, the then ruling Democratic Justice Party [DJP] also gained less than one half of seats and presented the situation of "the ruling party having fewer seats than the oppositions." In order to extricate itself from the predicament, the DJP merged with DP and Republican Party in 1990 to reverse the aforementioned situation. Why did the ruling DLP follow the same old disastrous road?

Its main causes are: First, it is due to the economic problem. In the past two years, the economic development in South Korea was impeded, the export was held up, its international competitive power weakened, and its foreign trade deficit reached \$9.65 billion in 1991, a record high. The inflation rate was 10 percent. In the course of the election, DP and UNP took advantage of



the voters' dissatisfaction with the current economic policies to attack the government, and Chung Ju-yung, former honorary chairman of the Hyundai business group, one of South Korea's largest conglomerates, made use of the voters' mentality to make promises continuously, so that over 40 percent of the floating votes went to UNP and the independent candidates. Second, it is because of the endless internal conflicts in DLP, engaged in contending for fractional spheres of influence. Its peremptory practices and irregularities in the election also caused the loss of some of its voters.

The result of the current election in South Korea will first affect the presidential election at the end of this year. People generally think that the National Assembly election is the skirmish of the coming presidential election. A confused and complicated situation will emerge owing to "the ruling party having fewer seats than the oppositions." Early this year, Roh Tae-woo hinted that he would support Kim Young-sam of the DLP to run for the next presidential election. Because of the setback in the current election, voices arose within the party to investigate and affix the responsibility of the poor election result on the part of Kim Young-sam. Meanwhile, Pak Tai-chun, (2613 3141 0193), Lee Chong-chan (2621 6988 6363), and other powerful figures in the DLP were eager to have a try. The tendency becomes intense within the DLP in competing for the presidential candidate, while Kim Dae-jung of the DP and Chung Ju-yung of the UNP were also ambitious, preparing to "take advantage of a weak point to break in."

Analysts predict that the current National Assembly election will not produce a significant impact on South Korea's foreign policies, but it will possibly change the political situation in South Korea. To free itself from the present predicament, the Roh Tae-woo regime is confronted with two major problems: One is to work out effective economic policies again so as to restore the people's confidence in the government and rally DLP's forces. The other is to win over the independents so as to ensure the majority of the ruling party in the National Assembly. A few days ago, Roh Tae-woo indicated he would adjust the leading departments of the DLP and reshuffle the cabinet as soon as possible. Whether this move will exert any effect remains to be further observed. The public opinion holds that the "opaque condition" will be a basic feature of the present and future political trend in South Korea.

**Second Sino-Mongolian Flight Route Opens**  
*OW3103130292 Beijing XINHUA in English*  
1226 GMT 31 Mar 92

[Text] Ulaanbaatar, March 31 (XINHUA)—An Air China plane flew here today from Hohhot, capital of China's Inner Mongolian Autonomous Region, the inaugural flight on a second air route between China and Mongolia.

Air China airliners will now fly regularly between Hohhot and Ulaanbaatar on Tuesdays and Fridays.

Air China began a regular service between Beijing and Ulaanbaatar last August.

**Southeast Asia & Pacific**

**Vietnam To Open More Trading Ports Along Border**  
*OW0104100092 Beijing XINHUA in English*  
0850 GMT 01 Apr 92

[Text] Hanoi, April 1 (XINHUA)—Vietnam will open the 21 trading ports along its borders with China under an order of Prime Minister Vo Van Kiet, Vietnamese newspapers reported today.

Vo said last March that the friendship pass, Dong Dang, Mong Cai, Lao Cai and other three ports will be opened as soon as possible, according to the reports.

After the opening, Vietnamese and Chinese nationals with valid border passes can pass through the 21 ports freely.

However, those who have visas issued by a third country are allowed only to pass through the friendship pass, Dong Dang, Mong Cai and Lao Cai.

**SRV Seeks Greater Cooperation With Koreans**  
*OW3103130692 Beijing XINHUA in English*  
1230 GMT 31 Mar 92

[Text] Hanoi, March 31 (XINHUA)—Vietnam is looking to drastically develop cooperation with the two sides of Korea, Vietnamese Premier Vo Van Kiet said today.

Local media reports quoted Vo Van Kiet as telling Mr. Mansuchoo, vice executive director of South Korea's Posco Steel Company, that cooperation between Vietnam and South Korea would develop quickly provided the two sides understood and trusted one another.

Vietnam had resources and labor while South Korea boasted technology, he said.

Mansuchoo was in Hanoi to attend the completion ceremony of a joint venture project between Vietnam and his company.

**Fishermen Released by Philippine Military**  
*HK3103132092 Beijing XINHUA Hong Kong Service*  
in Chinese 1158 GMT 31 Mar 92

[By correspondent Xiong Changyi (3574 2490 5030)]

[Text] Manila, 31 Mar (XINHUA)—The seven Chinese fishermen detained by the Philippine military left Manila this afternoon for home on a China Southern [Nanfang] Airway flight.

The seven fishermen were detained by the Philippine military on 17 March when they were fishing in waters near China's Spratly Islands.

Lin Guozhang, counsellor and consul general of the Chinese Embassy in the Philippines, was at the airport to see the fishermen off.

#### **ADB Approves Loan to Shandong Steel Mill**

*OW3103173392 Beijing XINHUA in English  
1529 GMT 31 Mar 92*

[Text] Manila, March 31 (XINHUA)—The Manila-based Asian Development Bank (ADB) today approved a loan of 133 million U.S. dollars to modernize and expand the Laiwu iron and steel mill in Shandong Province, China.

The loan has a repayment period of 24 years, including a grace period of four years, and the interest rate will be determined in accordance with the bank's pool-based variable lending rate system.

The project, located at the Laiwu Iron and Steel Company (LISC) complex near the city of Laiwu, involves the technological upgrading and expansion of existing production and facilities.

The steel plant is expected to produce 700,000 metric tons of liquid steel and 628,000 metric tons of finished steel products a year compared with current output of 240,000 metric tons of semi-finished hot rolled carbon and low alloy strips, the ADB said.

Meanwhile, the bank also approved an advisory technical assistance grant of 725,000 U.S. dollars to implement the corporate restructuring of the Laiwu Iron and Steel Company.

#### **Cultural Exchange Accord Signed With Australia**

*OW0104103092 Beijing XINHUA in English  
0932 GMT 1 Apr 92*

[Text] Canberra, April 1 (XINHUA)—China and Australia signed here today an implementing program for cultural exchange in 1992 and 1993 under the agreement on cultural cooperation between the two governments.

Under the implementing program, China and Australia will continue their exchange in the areas, such as culture and arts, libraries and publishing, journalism, broadcasting, cinematography and television, education, sports and social sciences.

The two governments signed the agreement on cultural cooperation in April 1981, and the implementing program for cultural exchange is signed for every two years. It is aimed at enhancing friendly relations and mutual understanding between the two peoples.

Visiting Chinese Vice Minister for Culture Liu Deyou met today with the federal arts minister, Wendy Fatin. They held the same view that high-level visits between the two countries will be beneficial to furthering cultural exchange.

Liu, also the leader of the Chinese delegation, said that during the last 20 years the Sino-Australian relationship had been developing rapidly. He hoped that along with China's furthering of its open policy, cultural exchange between the two countries will be strengthened.

Yesterday, the five-member Chinese delegation attended the sixth meeting of the China-Australia Joint Commission. They had a wide range of discussions on the ways of deepening the bilateral cultural exchange.

### **Near East & South Asia**

#### **XINHUA Views Impact of Levi's Resignation**

*OW3103143192 Beijing XINHUA in English  
1257 GMT 31 Mar 92*

[By Li Hongqi: "Internal Rift Bedevils Likud After Levi's Resignation"]

[Text] Jerusalem, March 31 (XINHUA)—The resignation of Foreign Minister David Levi has left people here wondering how the Likud bloc would find a way out of its worst internal crisis at a very sensitive moment.

Levi's decision to quit the government was seen by some as a "bombshell," pushing the right-wing party into a dilemma, either to make concessions to persuade the minister to stay or to endure an open split within its ranks. In either case, Likud's prospect for the June 23 election, believed a bitter fight between Likud and the left Labor Party, would be jeopardized. However, the dominating camp headed by Prime Minister Yitzhaq Shamir and Defense Minister Moshe Arens still seems at a loss as how to respond unanimously to the grim situation. Some of its members suggested that Levi's resignation be accepted without delay, but Shamir chose to leave more room for maneuver. Shamir dismissed on Monday Levi's decision to quit as a "joke," apparently in a bid to leave the door open for further negotiations to ease the tension within the Likud block "It is something that should not occur between us," Shamir told the press, denying allegations of discrimination against Levi and his camp. He again promised that whatever happens in the future, Levi would retain his post as foreign minister and deputy prime minister. But the offer seemed to fall short of the expectations of Levi's camp, especially its demand for one-third of the key posts in the future cabinet. Shamir found the demand unacceptable and some of his followers even called it "blatant blackmail." Observers believe that behind the refusal was a fear that Housing Minister Ari'el Sharon might also come up for his share of the cake if Levi's demand is heeded, thus leaving Shamir's own faction in the minority. When Shamir was reelected party chief in the February leadership showdown, Levi won a second place with 31 percent of the votes, while Sharon came third with 22 percent of the ballots. If Shamir fails to woo Levi's camp, he might lose the support of the bulk of its members even if the foreign minister himself remains loyal to the party. Levi has been under mounting pressure from the mainstream



faction within his own camp to quit Likud to join the Labor or form a new independent party if Shamir fails to address their request. The foreign minister risks losing his militant followers if he backs down from his tough position. His resignation was the only choice at this moment to keep pressure on the prime minister. Shamir's final decision is not expected until the last minute before Levi's resignation takes effect nine days later. Hard bargaining is anticipated before the deadline expires, but so far no arrangement has been reported for a meeting between Shamir and Levi. Levi seems serious in his resignation, saying his relations with Shamir have made it impossible to perform his duties. Speaking to the Knesset (parliament) Foreign Affairs and Defense Committee on Monday, the foreign minister interrupted a prepared text to explain why he chose to resign, sounding as if he was delivering his last speech at the committee session as foreign minister. "The Likud is in deep trouble," said a close aide to Levi, fearing the opposition Labor Party will capitalize on Likud's rifts in the election campaign. U.S. Secretary of State James Baker and the Palestine Liberation Organization have expressed concern over the possible impact of Levi's resignation on the Middle East peace talks. However, there are indications that Israel will attend the next round of peace negotiations scheduled for late April in Washington.

### East Europe

**Polish Prime Minister Wants Stronger Ties**  
*OW3103050792 Beijing XINHUA in English*  
0135 GMT 31 Mar 92

[Text] Warsaw, March 30 (XINHUA)—Polish Prime Minister Jan Olszewski today expressed a desire for better state relations with China and a hope for a further strengthening of exchanges and cooperation between the two countries in all fields.

Speaking at a meeting with the outgoing Chinese ambassador, Pei Yuanying, he said China was a big country, and his government "attaches importance to, and values highly, the role it has played in world affairs."

Olszewski said he was delighted to see the expansion in trade and economic cooperation between the two countries in recent years, and he expected fruitful results from it.

**Polish Businessmen Attend Economic Seminar**  
*LD3103162392 Warsaw PAP in English*  
2253 GMT 31 Mar 92

[Text] Beijing, March 30—Polish and Chinese businessmen discussed Polish investment policy and how to stimulate bilateral economic cooperation at a seminar, organized jointly by a Chinese consulting corporation "Consultec" and Polish Commercial Counsellor's office, held in Beijing on March 25-27.

Members of 14 representations of Polish foreign trade organisations briefed representatives of eighty Chinese

foreign trade companies on the principles of setting up joint ventures, and trade missions. They also touched upon the obstacles hampering the development of trade cooperation of the two countries and the methods of overcoming them.

After a period of economic boom in the 1980s, when the volume of Polish-Chinese trade turnover soared to record 1.5 billion Swiss francs annually, it fell to 144 million dollars in 1991. Polish exports to China virtually collapsed. Poland managed to sell only 88 million dollars worth of commodities last year. The trend may be reversed in 1992, according to estimates of the Polish Commercial Counsellor's office in Beijing.

Unless China fully switches over to market economy, makes substantial economic commitments in Poland and uses its presence for expansion on other European markets, Polish trade balance is not likely to increase, according to the same source. China aims at increasing its economic presence on the markets of Poland, Czechoslovakia and Hungary.

The prospects of gaining access to West European markets after the three countries have gained the EC membership is tempting. It was best illustrated by the Chinese businessmen's interest in the current economic situation in Poland, its taxation and customs policies with regard to setting up joint companies, the volume of required share capital and the repatriation of profits.

**Albanian Democrats Win Second Voting Round**  
*OW3003132292 Beijing XINHUA in English*  
1211 GMT 30 Mar 92

[Text] Tirana, March 30 (XINHUA)—The Democratic Party of Albania won 90 of 100 parliamentary seats in a second round of voting held Sunday, the party's information department said today.

Democratic Party candidates won in all 11 electoral districts, it said.

In the first round of voting held in 100 districts last Monday, the party claimed victory in 79 precincts.

The formerly ruling Socialist Party won in only six districts.

Under Albanian election law, only parties which gain at least 4 percent of the vote in the general election have the right to share parliamentary seats.

Poll results have left only the Democratic, Socialist and Social Democratic Parties with enough votes to have a voice in parliament.

### Latin America & Caribbean

#### **NPC Leader Sun Qimeng Meets Chilean Guests**

*OW3103082392 Beijing XINHUA in English  
0753 GMT 31 Mar 92*

[Text] Beijing, March 31 (XINHUA)—Sun Qimeng, vice-chairman of the Chinese National People's Congress (NPC) Standing Committee, met with a delegation of the Chile-China Cultural Institute from Chile here this afternoon.

The delegation, headed by president of the institute Abelardo Mella, has been here to learn about China's history and culture, and achievements China has made in various fields in the course of reform and opening to the outside world.

The Chilean visitors arrived here March 28 as guests of the Chinese People's Association for Friendship with Foreign Countries.

#### **Colombia Finance Minister To Finalize Loan**

*OW3103223992 Beijing XINHUA in English  
1740 GMT 31 Mar 92*

[Text] Santa Fe de Bogota, March 31 (XINHUA)—Colombian Minister of Finance and Public Credit Rudolf Hommes has been authorized to finalize a loan of 3.8 million U.S. dollars from the Chinese Government to finance an anti-poverty program for the municipalities in Alto Patia.

According to an announcement of the Presidency carried in the press here today, the program, which has been approved by the National Council on Economic and

Social Policy, will benefit over 70,000 persons in seven municipalities of Alto Patia, considered the poorest zone in the country.

With a total cost of 8.7 million dollars, the program is expected to overcome serious problems in drinking water supply, water pipelines, basic sewer systems, education and health.

During Chinese Foreign Minister Qian Qichen's visit to Colombia in September 1990, the Chinese and Colombian governments signed an agreement under which the Chinese Government will provide the Colombian Government a line of credit running into renminbi 20 million yuan (3.8 million dollars) free of interest, for a five-year period between January 1, 1991 to December 31, 1995.

The agreement stipulates that the above-mentioned loan will be used in the construction of complete projects to be executed by the Colombian Government with help from the Chinese Government in technical cooperation and the supply of simple equipment.

#### **NAFTA Not To 'Hamper' Trade With Mexico**

*OW3103170292 Beijing XINHUA in English  
1645 GMT 31 Mar 92*

[Text] Mexico City, March 31 (XINHUA)—The projected North American Free Trade Agreement (NAFTA) would not hamper strengthened trade ties between Mexico and China, said a Chinese official today.

Speaking at a Chinese electronics exhibition which opened here today, Qian Benyuan, vice president of the China National Electronics Export and Import Association, said potential Chinese investors are looking at the climate in Mexico for future development in textiles, light industry and electronics.

The exhibition is being held at the World Trade Center in Mexico City.



## NPC Session

### Antileftist Statement Added to Li Peng Report

HK0104015092 Hong Kong TA KUNG PAO in Chinese  
1 Apr 92 p 1

["Special dispatch" by staff reporter Chen Pei-sheng (7115 1014 4563): "NPC (National People's Congress) Presidium Has Approved Adding 'It Is Necessary To Guard Against "Leftism" Predominantly' to Government Work Report"]

[Text] Beijing, 31 Mar (TA KUNG PAO)—At its second meeting yesterday, the presidium of the Fifth Session of the Seventh NPC [National People's Congress] passed a resolution (draft) on the "Government Work Report." The resolution added the following statement to the original "Government Work Report (Draft):" It is necessary to remove all interferences, watch out for rightist tendencies, and guard against "leftism" predominantly.

It is learned that some deputies to the NPC were very critical of the fact that the government work delivered by Premier Li Peng at the opening ceremony of the NPC session failed to mention the need to combat "leftism." At the subsequent meetings of deputations and panel meetings, some deputies made similar comments. They maintained that combating "leftism" should be treated in the final version of the "Government Work Report."

### 'Struggle' in Drafting Work Report Noted

HK0104034692 Hong Kong CHENG MING in Chinese  
No 174, 1 Apr 92 pp 16-17

[Article by Ling Hsueh-chun (0407 7185 0689): "Behind-the-Scene Struggle in Drafting 'Government Work Report' To Be Submitted to National People's Congress (NPC) Session"]

[Text] Li Peng delivered a long-winded government work report at the Fifth Session of the Seventh NPC [National People's Congress] on 27 March. By 9 March, when the Political Bureau adopted the report, it had taken three months since the drafting began, with three revisions. The irreconcilable struggle between the two lines represented by the Deng Xiaoping and Chen Yun factions ran through the whole process of working out the report.

### Yuan Mu and His ilk Worked on the "Report's" First Draft

Drafting the report began soon after the Eighth Plenary Session was convoked last year. At that time, Li Peng, Yao Yilin, and Tian Jiyun were in charge, with the State Council's four bodies, headed by Luo Gan, Yuan Mu, Gao Di, and Zhu Muzhi, working at it with a specific division of labor. In December, a first draft was drawn up, consisting of 50,000 characters, with eight parts: 1) work review; 2) summarization of the three-year improvement and rectification; 3) uphold the party basic

line; 4) implement the policy of reform and opening up in a down-to-earth way; 5) improve economic returns, create a new economic situation; 6) build a new political, spiritual, and social environment; 7) push work in reunifying the motherland; and 8) adhere to China's foreign policy of independence, taking the initiative into our own hands.

The draft report was delivered to Chen Yun, who gave the following written instruction: "Attention should be paid to orientation, summarization, economic returns, and prevention of overheating."

### Chen Yun, Wang Zhen Stress Ideological Guide

After reading the draft, Wang Zhen also wrote an instruction: "Opposing bourgeois liberalization, Western interference, subversion, and peaceful evolution should be one of the work report's keys."

Peng Zhen's written instruction read: "Opinions from all sides should be solicited. It is necessary to stress doing a good job of our own work. The contents should not be too diversified without differentiating major and minor issues."

Whereas Deng Xiaoping's instruction read: "This is a longwinded draft, and must be revised; it must be remembered that this is a government work report."

We can see that the written instructions of Chen Yun and Wang Zhen stress orientation, line, and ideological guidance.

### The Second Draft Was Rejected for "Being Too Diversified in Content and Lacking Clarity"

The report's second draft was ready by early January. This draft reduced the original eight parts to four, with 15 [as published] sections:

1. Work review and prospect: 1) basic accomplishments of 1991; 2) existing major problems and their causes; 3) improvement and rectification basically concludes; 4) new tasks ahead; and 5) central economic work in 1992.
2. Unfold "a new situation of one center, two basic points": 1) adhere to the socialist orientation; 2) adhere to grasping with both hands; 3) adhere to the scientific spirit of doing practical work; 4) improve economic returns; 5) adhere to and accelerate reform, opening up in a comprehensive way; 6) firmly grasp agriculture, do a good job of water conservancy work and capital construction; 7) streamline government organs and improve efficiency; and 8) complete, perfect, and give play to role of the people's supervision organs.
3. Promote the cause of the motherland's reunification: 1) work hard to promote the stable transition and smooth handover of Hong Kong and Macao; and 2) peaceful reunification and negotiations in equality. And,
4. Foreign policy and diplomatic work

The second draft comprised some 30,000 characters. The early January Political Bureau session discussed that version twice, and expressed the belief that its content was too diversified and its center lacked clarity.

However, Yao Yilin and Song Ping stated at the meeting: The basic spirit was expressed.

Qiao Shi did not agree, and said: The work report should give prominence to the central work, which is to do a good job of construction from now on.

#### **Deng Xiaoping: The Government Report Fails To Give Prominence to the Center**

In mid-January, the third draft was ready and comprised five parts. At that time, Deng Xiaoping was in Shanghai, preparing for his southern tour. Having read through the third draft, he wrote an instruction: "What is the government work report's center? It is necessary to give prominence to the center so that people may have a clear picture of the government's plan and work as well as the line to be implemented from now on."

#### **Yao Yilin Withdrew From Drafting Work**

By early February, Deng Xiaoping's talks in Shanghai had roused repercussions and caused a change in the situation. At the Political Bureau "briefing" session on 8 and 12 February, Yao Yilin and Song Ping made self-criticism. In addition, Yao asked to be excused from the report's drafting work on the grounds of poor health. The Political Bureau proposed Zhu Rongji, Zou Jiahua, Wang Bingqian, and Chen Xinhua be put in charge of revising the government work report.

By 5 March, the fourth draft had altered the third draft's five parts to six, and was "unanimously" ascertained by the 9-10 March Political Bureau session.

#### **The Spirit of Deng's Talks Was Given Weight in the Fourth Draft**

In the fourth draft, the spirit of Deng Xiaoping's talks during his southern tour was added, whereas such terms as "opposing bourgeois liberalization," "opposing imperialist peaceful evolution," and "attacking hostile forces" were revised or deleted, thus making the draft more practical.

At the 14 March Political Bureau session, a fifth discussion on Li Peng's government work report was conducted. At the meeting, Li Peng said: "The theme of the party's central work should be given greater prominence, for it is the basic cause for the tremendous changes over the past 10 years."

#### **Surprisingly, Li Peng Wanted To Give Prominence to "One Center"**

People cannot but ask whether Li Peng has become one of those opportunists, or "has changed his orientation" and become "one of the reformists" when he, who has always been conservative, should give prominence to

"one center" in the government work report, while evading the same in the three years he has been in charge of government work, focusing on "the tremendous changes over the past 10 years."

Yao Yilin said: "There must be a focus, but it is necessary to stress one center, two basic points being an entity, which forms the party basic line, while refraining from leaning toward a certain point." This right-hand man of Chen Yun, who could never forget the "four cardinal principles" for a moment, actually aimed to control the central work with "the four cardinal principles."

At the meeting, Wan Li indicated: "The government work report should clearly state: 'Emancipating and developing the productive forces is the basic and primary task for the party leading the people in building socialism.'"

The process of writing the government work report submitted to the NPC from its revision to its adoption shows that Deng Xiaoping's line has won a small victory for the time being, whereas the Chen Yun faction's attempts to conceal the current central work in the report has been defeated.

#### **'Peaceful Evolution' Cut From Liu Fuzhi Report**

*HK0104074192 Hong Kong AFP in English 0657 GMT 1 April 92*

[Excerpts] Beijing, April 1 (AFP)—Chinese lawmakers have delivered a major blow to conservative Premier Li Peng by demanding that he alter government policy to include Deng Xiaoping's criticism of hardline Marxism.

The secretariat of the National People's Congress (NPC) made the decision Monday [30 March], according to a copy of the draft resolution obtained by AFP.

Li's government work report, delivered March 20 to the NPC's opening session, failed to mention a recent warning by Deng, the senior leader, that conservative Marxists posed the main threat to reform.

The NPC secretariat decided that the Soviet-trained premier should add to his report: "While guarding against rightism, we must especially concentrate on eradicating leftist influences." [passage omitted]

Li is the leader most closely associated with the military crackdown on the 1989 pro-democracy movement and is reviled by many Chinese.

In a related development, the NPC secretariat also decided to delete an anti-Western reference in a report made Saturday by Liu Fuzhi, the procurator general of the Supreme People's Procuratorate. A revised version of the report has deleted Liu's warning against "peaceful evolution," an alleged plot by the West to subvert China's socialism system by non-violent means.



In its place was a call to wipe out government corruption, one of the main demands of the student-led 1989 demonstrations.

**Liu Fuzhi Welcomes Overseas Intellectuals' Return**  
*HK0104101892 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0714 GMT 24 Mar 92*

[Text] Beijing, 24 Mar (ZHONGGUO TONGXUN SHE)—Liu Fuzhi, procurator general of the Supreme People's Procuratorate, told reporters during a recess after attending a panel discussion held by the Guangdong delegation to the on-going National People's Congress session: The Chinese Government welcomes intellectuals stranded abroad to return. Nevertheless, those wanted by the police should turn themselves in to the police.

Liu Fuzhi said: The government welcomes people who have been stranded abroad or have illegally left China since 1989 to return and will not investigate and prosecute them. Nevertheless, people wanted by public security departments are not included in this category. However, people on the wanted list are allowed to come back and turn themselves in to the police to have their cases concluded. People of other categories are welcome to return and are guaranteed no trouble at home.

**Yang Baibing on Reform, Double Support Work**  
*OW3103132492 Beijing XINHUA Domestic Service in Chinese 1027 GMT 31 Mar 92*

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 31 Mar (XINHUA)—Strong army-government and army-people unity is an important political guarantee for accelerating the pace of reform, opening to the outside world, and economic development. This is a topic which has been repeatedly discussed by the deputies at the current National People's Congress (NPC) session.

The deputies recalled the achievements of recent years in double support work. The awareness for an all-people national defense has been enhanced. The campaign to build model double support cities and counties is going on vigorously. Great achievements have been made by soldiers and people in their joint campaign to build socialist spiritual civilization. The new army-government and army-people relations of "sharing weal and woe and linking heart to heart" have been consolidated and enhanced. Many deputies describe current double-support work as the best since the founding of the People's Republic.

Yang Baibing, NPC deputy, secretary general of the Central Military Commission, and director of the General Political Department, said: The new situation of accelerated reform and opening to the outside world will certainly add new vitality and vigor to the close army-government and army-people relations. At the same

time, it will also create some new circumstances and new problems which must be studied and solved. For this reason, we must use a common political basis to strengthen the cohesion between army and government and between soldiers and people. Common political convictions, ideals, and objectives are the greatest cohesion between army and government and between soldiers and people. In the new historical period, the common political basis for army-government and army-people unity is the party's basic line of "one central task and two basic points." Deputy Yang Baibing urged army comrades to set even higher standards for doing a good job in supporting the government and cherishing the people. He said that it is a common duty of the army and the people to accelerate reform, opening to the outside world, and economic development.

The deputies from the People's Liberation Army said: The more the party and the people trust and support the army, the more the army should be a faithful protector of the people's interests and understand the difficulties of the state. Many civilian deputies said: It is necessary to fully understand the army's role under the new situation. Governments at all levels should show greater concern and provide greater support for army building, take the initiative in helping the army solve problems, promote army reform and army building, and further strengthen our Armed Forces.

**Army Paper Greet NPC, Stresses Reform**  
*HK3103135692 Beijing JIEFANGJUN BAO in Chinese 20 Mar 92 p 1*

[Editorial: "Expedite Reform and Opening Up, Carry Out Once Again Plan for Great Cause—Warmly Greeting Grand Opening of Fifth Sessions of Seventh National People's Congress and Chinese People's Political Consultative Conference"]

[Text] Early in the Year of the Monkey, everything is changing anew. During a crucial period of seizing the favorable opportunity to speed up reform and opening up, the Fifth Sessions of the Seventh National People's Congress [NPC] and National Committee of the Chinese People's Political Consultative Conference [CPPCC] solemnly opened in Beijing. This is a major event in the political life of the Chinese people of all nationalities. Herewith all officers and men in the Chinese People's Liberation Army warmly congratulate these grand sessions of the NPC and CPPCC!

The past year was the first year for the implementation of the 10-Year National Economic and Social Development Program and the Eighth Five-Year Plan. Under the leadership of the party Central Committee with Comrade Jiang Zemin at the core, the Chinese people, with one heart and one mind, arousing themselves for vigorous efforts to make the country prosperous, and carrying out a hard struggle, have scored the great achievements of political stability, social tranquillity, and economic development. Breakthrough progress has been



made in carrying out an independent and peaceful foreign policy. The victory in the combat against floods and to provide relief aid has enhanced the party's reputation and unified popular feelings. Our Armed Forces have made a gratifying step forward in revolutionization, modernization, and regularization. Since the beginning of this year, the national economy has seen a good development trend. The east wind of socialist spiritual civilization is sweeping the urban and rural areas. Viewing the great land of China, there is vitality everywhere.

The recently convened plenary session of the CPC Central Committee's Political Bureau profoundly discussed several major problems, including reform and development, and stressed the need to resolutely carry out the party's basic line, to speed up the pace of reform and opening up, and to concentrate on economic construction. This once again suggests the CPC's firm determination to focus on the central task of economic construction and also represents the common wishes of the people throughout the country. "One center, two basic points" is the quintessence of the theory on building socialism with Chinese characteristics initiated by Comrade Deng Xiaoping—the general architect of China's reform and opening up. Only by focusing on the central task of economic construction and speeding up and promoting reform and opening up under the four cardinal principles will we be able to emancipate and develop the social productive forces, to constantly improve the country's comprehensive strength and the people's standard of living, to give full play to the strong points of the socialist system, and to finally solve the problem of which will win, socialism or capitalism. The 1990's is a key decade for China's modernization drive. We should have a strong sense of urgency and mission. Now we are equipped with the necessary domestic conditions, and the international environment is favorable. There are both challenges and opportunities, but more opportunities than challenges. "The important thing is seizing opportunity, as it knocks only once." Whether or not we can seize the opportunity and speed up the pace of reform and opening up has an important bearing on whether or not we can consolidate and develop the excellent situation in our country, on the success or failure of socialism, and on the future and destiny of the Chinese nation. This is where the interests of the country and the people lie. It is also the biggest and most solid principle.

Economic construction is the central issue at the Fifth Sessions of the Seventh NPC and CPPCC. In the spirit of democracy, practicality, and boosting morale, deputies and members examined and discussed the "Government Work Report" and a number of other documents. They also discussed major plans on further carrying out reform and opening up as well as making a success of economic construction. We believe that undertaking the heavy tasks entrusted by the 1.1 billion people of all nationalities, NPC deputies and CPPCC members will fully reflect the people's wishes, seriously exercise their

democratic rights, take an active part in politics, and make the sessions very satisfactory and successful.

The spring tide of reform is surging and the Armed Forces have a heavy responsibility to undertake. Practice has proved that a flourishing reform can make the country prosperous and that the Armed Forces will become stronger in a prosperous country. In this new situation of speeding up reform and opening up, we are required to stand higher and look further, to constantly improve our mentality with regard to reform and opening up, to cultivate a sense of historic responsibility characterized by "making the great cause of the four modernizations our responsibility and sharing weal and woe with reform and opening up," to support reform and opening up, to safeguard reform and opening up, and to actively and steadily promote reform in the Armed Forces. "A bugle from a high mountain makes the Armed Forces move." All officers and men in the Armed Forces, who wholeheartedly work for the interests of the people, will follow the party's basic line, set a good example in adhering to the four cardinal principles, and make new contributions to reform and opening up!

**Bo Yibo on Emancipating Mind, Accelerating Reform**  
*OW3103135592 Beijing XINHUA in English*  
1304 GMT 31 Mar 92

[Text] Beijing, March 31 (XINHUA)—Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party (CPC), today called for "further emancipating the mind, being bolder and quickening steps" for a fast development of the country's economy.

Bo, also a deputy to the National People's Congress (NPC), joined a panel discussion of NPC deputies from Shanxi Province here today.

He called the ongoing NPC session "a crucial meeting held at a crucial moment," the guiding ideas of which will greatly benefit the convening of the 14th CPC National Congress scheduled for later this year, he said.

With the completion of the three-year-old economic readjustment based on the economic development made through rural and urban reform in the previous decade, domestic stability, new progress in diplomacy, and richer experience in reform and opening, he said, now is the best time for speeding up reform, opening-up and economic development.

Therefore, he called for all-out efforts to "seize the opportunity" and bring the national economy up to a new level.

Expressing satisfaction with the whole nation's enthusiasm for and their deepened understanding of reform and opening-up, Bo said what is more important is to accomplish several major achievements through earnest efforts in line with realities, to guard against formalism

and oppose bureaucracy, and to do a good job in a down-to-earth manner instead of engaging in empty talk.

As building socialism with Chinese characteristics represents an unprecedented cause, he said, it asks for further emancipation of the mind, bolder exploration and quicker steps and courageous experimentation with new things.

In this regard, he added, "we should dare to absorb and utilize all the good things in foreign countries, including those experiences of the capitalist society that are conducive to social and economic development, as these experiences are the common wealth of civilization of the mankind."

"So long as they will do good to the development of socialist productive forces and other undertakings, we can learn from them," he said.

In furthering reforms and opening-up, he said, vigilance should be maintained against both rightism and "leftism", with the emphasis on the latter.

#### **Echoes Deng Xiaoping's Remarks**

OW3103202492 Beijing XINHUA Domestic Service  
in Chinese 1443 GMT 31 Mar 92

[By reporter Ma Kuijun (7456 7608 0689)]

[Text] Beijing, 31 Mar (XINHUA)—Speaking at a discussion of Shanxi deputies at the Great Hall of the People this morning, Deputy Bo Yibo, vice chairman of the Central Advisory Commission, said emphatically: The Fifth Session of the Seventh National People's Congress [NPC] is different from past sessions. It is a crucial meeting held during a crucial period. This session is to rally people throughout the country to further emancipate their minds, to make greater strides in reform and opening up, and to seize opportunities to boost economic construction in accordance with Comrade Deng Xiaoping's many important expositions on building socialism with Chinese characteristics.

Bo Yibo said: Studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is the key to making this session a success. Merely issuing general appeals is absolutely not the way to implement Comrade Deng Xiaoping's thought. The key lies in making all-out solid efforts. Authorities at all levels should put forward practical action plans.

Bo Yibo stated: Specifying the guiding ideology of this session is vastly conducive to ushering in the 14th National Party Congress and to making the congress a success.

Bo Yibo is a veteran deputy elected by the people of Shanxi. Every year he participates in deliberations and discussions with Shanxi deputies. When they see him, the deputies feel especially close to him. Their discussions of state affairs are just like family conversations. After hearing the speeches of fellow deputies, Bo Yibo

said: The international communist movement has always tried to explore ways to solve the issue of carrying out socialist economic construction. We should conduct explorations; we cannot refrain from emancipating our minds. To emancipate our minds, we should permit experiments and the introduction of advanced things from other countries, including capitalist countries. Science and technology and advanced equipment and management know-how are the crystallization of progress in human civilization. It is good to learn advanced things, run experiments, and explore. How can we ask whether we should assume the family name of "socialism" or "capitalism" once we start working. Such questions would only keep people from acting boldly. Not acting is precisely the greatest mistake; it is extremely unfavorable to our development.

Bo Yibo said: We should let practice show what is right and what is wrong. How can you know that a particular thing is right or wrong if you negate it without practicing it? In my opinion, we should emancipate our minds and act boldly if we are to uphold the four cardinal principles and the three "favorable" criteria set by Comrade Deng Xiaoping.

He maintained: Mental emancipation takes various forms. These include delegating authority to enterprises by the government, streamlining government organs, allowing the coexistence of multiple economic sectors, and letting some people and areas become better off first. At present, the most important form of mental emancipation is to seize opportunities, to renew concepts, and to build the economy creatively.

Bo Yibo noted: Thanks to reform and openness in the countryside and cities over the past decade or so, we have achieved ample results, enriched our experiences in reform and openness, fostered stability and unity on the home front, and made new progress in foreign relations. Now is the best time for speeding up reform, openness, and economic construction. This is the crux of Comrade Deng Xiaoping's repeated stresses on the need to seize opportunities. We must capitalize on these opportunities and work hard to develop the national economy so as to raise it to a new level.

Bo Yibo said: We should seize opportunities, uphold the party's basic line, show no fear, and refrain from debating. We should work for a period, pay attention to summing up our experiences, and uphold and correct what we do as necessary. In carrying out more reforms and opening wider to the outside world, we should guard against rightist deviations but we should mainly guard against "leftist" deviations. By so doing, we can move forward more swiftly and can raise our national economy to a new level.

Bo Yibo stated: Through their study of Comrade Deng Xiaoping's important speeches, people across the country have further unified and deepened their understanding of the reform and open program. Cadres and



people on various fronts in all localities show extraordinary drive. This is very encouraging. Under such circumstances, the important thing is to take reality into account, focus on implementing the speeches, and perform practical deeds realistically. We should do our utmost to guard against formalism, oppose bureaucratism, cut back on empty rhetoric, and perform various tasks well in a down-to-earth manner.

In conclusion, Bo Yibo said emphatically: We should create a good social environment for reform, openness, and economic development. He said: We must uphold the "two-pronged" approach initiated by Comrade Deng Xiaoping by carrying out the reform and open program on the one hand and fighting various criminal activities on the other, and by building both socialist material and spiritual civilizations. We should not relax our efforts in either endeavor.

**Wan Li Backs Promotion of 'Socialist Democracy'**  
*OW0104040692 Beijing XINHUA Domestic Service  
in Chinese 1502 GMT 31 Mar 92*

[By reporters Chen Yan (7115 7159) and Luo Xiaolu (5012 2556 6424)]

[Text] Beijing, 31 Mar (XINHUA)—At discussions of the Beijing and Liaoning delegations today, Wan Li, chairman of the Standing Committee of the National People's Congress [NPC], pointed out that promotion of socialist democracy and construction of the legal system are an important part of China's political restructuring. We must do a good job in this regard and build China into a socialist country with a high degree of democracy and a well-developed legal system so that it will enjoy lasting peace and stability.

This morning, Chairman Wan Li first attended a meeting of the Beijing delegation to hear the deputies' views. Deputies Shi Dingchao, Zhang Zanlin, Hu Dapeng, Du Dashun, and Zhou Guanwu aired their views and offered suggestions on the people's congress system, reports on the work of the Supreme People's Court and Supreme People's Procuratorate, development of the private sector of the economy, and implementation of taxation and enterprise laws.

When Hu Dapeng, vice president of the National Association for the Self-Employed, was talking about the development of the individual economy, Wan Li chimed in: The private sector of the economy has played a pivotal role in the development of the service trade. Individually-run enterprises, private enterprises, and foreign-invested enterprises are all a necessary supplement to our economy, which is based on public ownership. Service trades have not developed fast enough nationwide and greater efforts should be made in the future. He said: The private sector has not been able to develop mainly because of the "leftist" influence. Now that we heard what Comrade Deng Xiaoping has said, we can set our minds at rest.

Commenting on Hu Dapeng's proposal that the NPC complete a law governing the individual and private sectors of the economy, Wan Li said: The problem now is that legislation lags behind economic development. Society will not be stable without a well-developed legal system. Democracy and a legal system constitute the most basic means for ensuring social stability. It is important to act according to law; we must not depend on rule by man or substitute laws with leaders' directives.

Wan Li pointed out: The capital should march at the head in promoting both democracy and the legal system. Everything should fall in the scope of democracy and the legal system. We should enhance the cadres' and people's awareness of the law so that we all will consciously abide by the law.

Wan Li said: Whether or not the capital will enjoy good public order is decided by administration on one hand and the promotion of the legal system on the other. The capital, which is blessed with excellent conditions and has friendly ties with many cities around the world, can learn from all nations their experience in promoting democracy and the legal system and in running a city. Wan Li said: Beijing has the required conditions and ability to build itself into a city with a high degree of democracy and a well-developed legal system where people enjoy a more civilized life. It can set a good example for other localities, other cities.

Later, Chairman Wan Li attended a Liaoning delegation discussion. After hearing the speeches of deputies Luo Guoying, Lu Shenghe, Zuo Kun, Wang Guangzhong, and Yue Qifeng, he pointed out: Deputies from all over the country have offered many constructive criticisms and proposals on the work of the NPC Standing Committee. Their input will be very useful in further improving the people's congress system and in promoting democracy and the legal system. He urged people's congresses at all levels to sum up their experience of the past few years, come up with ideas on improving their work, and do a still better job in executing their functions.

Wan Li said: Today, we still hear rather frequently about incidents involving substituting laws with power or leaders' directives, disregarding of laws, and half-hearted enforcement of laws. People's congresses at all levels must step up supervision in this area.

Wan Li pointed out: Liaoning is a heavy industry base of our country that has made great contributions to the state over the past four decades. For a long time we have failed to properly solve the problems regarding the structure and mechanism. Some problems concerning the self-development and improvement of large and medium-sized enterprises have not been settled properly and they therefore appear lacking in vitality. How to rejuvenate and renovate those old industrial enterprises and invigorate large and medium-sized enterprises is not a problem unique to Liaoning; it is a common problem



everywhere. It is not just an economic issue but a political one. Liaoning will have nationwide impact if it can successfully settle these problems.

Wan Li urged Liaoning's party and government departments and the People's Congress Standing Committee to settle the problems of state-owned large and medium-sized enterprises on a priority basis and, while developing agriculture as the foundation of the economy, focus their main energies on invigorating large and medium-sized enterprises. He said: The provincial congress standing committees may adopt local laws to supplement the imperfections that are uncovered from the implementation of the enterprise law and the bankruptcy law. Liaoning can make contributions to the nation in legislation concerning large and medium-sized enterprises.

Wan Li said in conclusion: While stepping up legislative work, we must also speed up the pace of reform and opening up, absorb the advanced experience from abroad, and never close the door. The Liaoning Peninsula is blessed with excellent conditions: it has a solid industrial basis, good transportation facilities, and navigation ties with Japan and Hong Kong. Liaoning now has the conditions and opportunity for reform and opening up. It is hoped that Liaoning will make great strides and not miss this opportunity.

**Li Peng Views Inland Development With Deputies**  
OW0104093692 Beijing XINHUA in English  
0923 GMT 1 Apr 92

[Text] Beijing, April 1 (XINHUA)—Chinese Premier Li Peng, joining panel discussions of the current National People's Congress (NPC) session today, urged the country's inland provinces to make full use of local advantages to speed up reform, opening and economic development.

Amidst national efforts at faster reform and opening-up, inland provinces like Shaanxi and Hunan should proceed from local realities and utilize the existing government policies to the fullest extent to seek faster economic development, Li told NPC deputies from the two provinces on separate occasions today.

For example, Li said, with a comprehensive industrial structure and a concentration of brain-power in science and technology, Shaanxi's Xian city has a lot to accomplish in running the high and new technology development zone, for which there are relevant government policies.

He urged the province to "further emancipate the mind" in developing tourism, which he said should be linked with promoting culture and commodities.

**'More Autonomy' for Xinjiang To Resist Separatism**  
HK0104031192 Hong Kong THE STANDARD  
in English 1 Apr 92 p A-5

[By Cheung Po-ling in Beijing]

[Text] The State Council will give more autonomy to Xinjiang to resist separatist attempts to secede the region from China, State Commission of Minority Affairs director Ismail Amat said yesterday.

After attending a group session of the Xinjiang delegation of the National people's Congress, he said that in view of a bold call for reform and openness, the central authorities were to offer more autonomy to Xinjiang.

"The State Council intends to give the autonomous region the power for approving projects of foreign trade, border control and administrative management," Mr Amat said.

Asked if Xinjiang would become more independent after enjoying greater autonomy, he said that Xinjiang people who benefitted from the policy would not like to see an unstable environment created by the separatists.

"Foreign forces aiming to split the country do exist in China, however, Xinjiang people know too well what they do is detrimental to the country," Mr Amat said.

"So, I believe the separatist forces could hardly have a market in China."

Despite the disintegration of the former Soviet Union, Mr Amat rejected reports claiming Xinjiang, inspired by the independence moves by the former Soviet republics, would follow suit.

"There are some individual cases such as a bomb blast taking place in Xinjiang. However, these incidents would not affect the stability of Xinjiang," he said.

"If somebody does seek after independence, I'm confident that the various nationalities of Xinjiang would force them to stay off the stage."

Both Mr Amat and Tomur Dawamat, the chairman of Xinjiang autonomous region, declined to disclose the details of a bomb blast last month in Xinjiang, saying that the incident was still under investigation.

The bomb, triggered in a bus, was reported to have killed six people.

The two officials said no one had been arrested for it.

**War Reparations Motions Fail To Make Agenda**  
HK0104103092 Hong Kong AFP in English 0901 GMT  
1 Apr 92

[Text] Beijing, April 1 (AFP)—Chinese lawmakers have failed in their attempt to seek World War II reparations from Japan, a spokesman said Wednesday.

The rejection of the demand was apparently an attempt by Beijing to prevent friction over the sensitive issue ahead of Communist Party leader Jiang Zemin's five-day visit to Japan set to begin next Monday.

Two motions were submitted to the ongoing session of the National People's Congress (NPC) that demanded 180 billion dollars in compensation from Japan for atrocities committed during its 1931-1945 occupation of parts of China.

The NPC law and foreign affairs committees heard the motions last Thursday, ending a previous taboo on the issue.

But an NPC spokesman said Wednesday that the motions would not be admitted into the parliament's agenda because they failed to get the necessary support of at least 30 delegates.

Sponsors of the motions, Anhui and Guizhou provinces, had said they had more than the required 30 backers.

Memories of Japan's violent occupation are still strong in China. China says 10 million people died during the war.

Bilateral ties, which mark their 20th anniversary in September, have recently been strained by a renewed territorial dispute and the reparations issue.

Japanese Emperor Akihito is also expected to pay a state visit here this year, but a campaign that has already collected more than 10,000 signatures has rejected the visit unless he first apologizes for past aggression and agrees to compensation.

China's government dropped reparation demands in the 1972 Sino-Japanese joint communique, but backers of the campaign argue that the Chinese people still have the right to seek compensation.

Tokyo has rejected the argument.

**Overseas Students Send Letter on 3 Gorges Project**  
*HK3103091592 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1302 GMT 30 Mar 92*

[Text] Beijing, 30 Mar (ZHONGGUO TONGXUN SHE)—A group of Chinese students studying in 40 universities in the United States today sent a letter to the National People's Congress [NPC], Chinese People's Political Consultative Conference [CPPCC] and State Council stating their opinion and suggestions on the Three Gorges Project, about to be put to vote at the NPC session.

The letter, faxed from the United States, claimed that many Chinese students studying in the United States had learned that decisions would soon be made at the NPC session on the highly controversial Three Gorges Project, and overseas students were all very concerned about this project of vital concern for the motherland's fate. It was said that many of the overseas students who signed the

letter had directly or indirectly participated in testimonial work on the Three Gorges Project, or the study of similar projects. They had also the chance, being overseas, to appreciate the experiences and lessons of other countries concerning similar projects, and they can therefore be said to have a fairly profound and comprehensive understanding of the Three Gorges Project.

The letter pointed out that the Three Gorges Project will directly affect the interests and safety of the entire Changjiang area and will have an irreversible impact on China's national livelihood and the descendants of Chinese people. Long-standing controversies on the project show that many doubts still exist as to the project's feasibility and many problems still await solution.

The letter expressed worry at the insufficient estimate of the feasibility report on the long-term environmental destruction of the project on the entire Changjiang area, and holds that the simplistic concept of trying to achieve it all with a single "dam" is dangerous. Flood prevention should combine environmental treatment, engineering improvements, and social measures, and should be done in a long-term, practical and comprehensive fashion. The state should vigorously launch afforestation and water and soil conservancy in the Changjiang's upper and middle reaches, restore and boost the power of nature in alleviating and resisting floods, and develop hydropower at different latitudes of the upper reaches and tributaries, in order to control floods within their areas. In the middle and lower reaches past the Three Gorges, we should consolidate antiflood dikes and dams which historically have proven effective; strengthen existing antiflood, flood diversion and flood containment capacities; and perfect social emergency systems. This group of students believes that this integrated development program is superior to the Three Gorges Project in antiflood and power generation, improving the ecological environment, economic feasibility, reducing the scale of population resettlement in the dam area, protecting tourism and resources, and so on. It should be given serious consideration.

The letter sincerely requested that the NPC, CPPCC and State Council handle the three Gorges Project very cautiously, and seriously view the alternative program of integrated development.

## XINHUA Concludes NPC Terminology Series

### Part Seven

*OW2703031692 Beijing XINHUA in English  
0057 GMT 27 Mar 92*

[Text] Beijing, March 27 (XINHUA)—(This is the 7th of a series on Chinese terminology in connection with the annual sessions of the Seventh National People's Congress and of the Seventh National Committee of the Chinese People's Political Consultative Conference. The first of the series was issued on March 22—editor.) [parts one and two of the NPC terminology series were published in the NPC Session section of the 23 March China



DAILY REPORT, beginning on page 45; parts three through six of the series were published in the NPC Session section of the 26 March China DAILY REPORT, beginning on page 26]

20. **Spark Program:** This is a scientific and technological development program worked out by the State Science and Technology Commission. Put into practice in 1986, the program is aimed at providing local economies and small and medium-sized enterprises, village and township enterprises in particular, with widely applicable techniques. In the past five years, more than 28,000 projects have been arranged by the state, provinces, prefectures and counties and they have yielded 40 billion yuan in terms of additional output value. The ratio between the investment and output value is one to four. A total of about one million scientists and technicians have participated in the execution of the program, training 6.5 million rural technicians and management personnel.

21. **Harvest Program:** The program is aimed at spreading practical agricultural research achievements and new techniques for higher yields of main crops on large tracts of land. Since it was launched in 1987, the program has been carried out in a dozen provinces, municipalities and autonomous regions, involving 45 million hectares of farmland. Over the past five years, the program has resulted in an additional output of 22.75 billion kilograms of grain, 405 million kilograms of cotton and big increases in the yield of oil- and sugar-bearing crops, vegetables, fruits, rubber, fine breeds of fowls and livestock and aquatic products.

22. **Prairie Fire Program:** Worked out by the State Education Commission, the program is aimed at training personnel for the implementation of the "Spark Program" and the "Harvest Program". It was put into practice in 1988. Based on universal compulsory education, it encourages education in practical techniques and management expertise closely linked with local economic development in rural schools and aims to train large numbers of a new-type of skilled people for rural areas. The program is also meant to promote the spread of practical techniques, technical training and information services in the countryside.

#### Part Eight

OW2803022192 Beijing XINHUA in English  
0147 GMT 28 Mar 92

[Text] Beijing, March 28 (XINHUA)—(This is the eighth of a series on Chinese terminology in connection with the annual sessions of the Seventh National People's Congress and of the Seventh National Committee of the Chinese People's Political Consultative Conference. The first of the series was issued on March 22—editor.)

23. **Overall Reform of Education in Rural Areas:** The reform aims to implement the principle that education must serve socialist economic development and socialist

economic development must rely on education and steer economic development onto the path of relying on technological progress and the improvement in the educational quality of laborers and bring the rural education onto the track of serving economic and social development. The reform is designed to establish a new operational mechanism for rural education, which promotes the coordinated development and mutually reinforcing of the basic education, vocational education, adult education and the integration of agricultural science and technology and education so as to stimulate modernization of China's rural areas. The reform was initiated in the Seventh Five-Year Plan Period (1986-1990) and will be piloted on a wider scale in the Eighth Five-Year Plan period and be extensively applied in the rural areas in the Ninth Five-Year Plan period.

24. **Overall Reform of Education in Urban Areas:** The reform is designed to bring the development of urban education into line with the general plan for national economic and social development. Reform of education in schools at the secondary level and lower and the adult education and on-the-job training should be so carried as to meet the needs of enterprises in various types of personnel and skilled workers. The reform is also aimed at enabling urban education to play the exemplary role for the countryside and render service in overall planning, professional guidance and teachers' training to rural areas. Since 1987, China has carried out experiments in overall education reform in 22 cities including Yantai, Jiamusi, Weihai, Suzhou and Changsha and the pace of the reform will be quickened in the 1990s.

#### Part Nine

OW3003024192 Beijing XINHUA in English  
0205 GMT 30 Mar 92

[Text] Beijing, March 30 (XINHUA)—(This is the ninth of a series on Chinese terminology in connection with the ongoing sessions of the Seventh National People's Congress and of the Seventh National Committee of the Chinese People's Political Consultative Conference. The first of the series was issued on March 22—editor.)

25. **The second-step of the country's strategic plan for accomplishing modernization**

The second step covers the period of 1991-2000. Its objective is to quadruple 1980's GNP (constant price) by the year 2000 and enable the people to lead a comfortable life.

26. **One focus, two basic points**

This is the basic line put forward at the 13th National Congress of the Chinese Communist Party. One focus refers to "focusing on economic construction". Two basic points refer to "adherence to the four cardinal principles and adherence to reform and opening to the outside world".

27. **Regional autonomy of minority nationalities**



China is a unitary multinational state. Besides the majority Han nationality, there are 55 minority nationalities. China's Constitution stipulates that all the nationalities are equal. Regional autonomy is practiced in areas where people of minority nationalities live in compact community, and in these areas self-governing bodies are set up to exercise the right of autonomy. A law granting regional autonomy to ethnic minority areas came into effect in 1984. At present, China has set up five autonomous regions, 31 autonomous prefectures and 105 autonomous counties.

#### 28. Overall improvement of public security

Under the leadership of the Communist Party and the government and assistance of all institutional units and mass groups, the country's legislative and public security organizations started in 1991 to crack down on crimes, reform criminals, educate minor-offenders, and try to extinguish factors and conditions that are cradles to crimes in a bid to radically prevent and reduce crimes. This will be achieved by mobilizing all social forces and employing political, economic, cultural, educational and administrative means.

#### 29. Reform of political structure

China is a socialist country under the people's democratic dictatorship. Its fundamental political system is sound, but there are still certain weak points in its leadership system, organizational forms and style of work, which mainly include overcentralized government, serious bureaucracy, and the remnants of feudalistic influence that need to be eradicated.

### Part 10

OW3103030492 Beijing XINHUA in English  
0130 GMT 31 Mar 92

[Text] Beijing, March 31 (XINHUA)—(This is the 10th and last of a series on Chinese terminology in connection with the fifth annual sessions of the Seventh National People's Congress and of the Seventh National Committee of the Chinese People's Political Consultative Conference. The first of the series was issued on March 22—editor.)

30. Practical style of work: The practical style of work can be summed up as: to know the actual situation, do something concrete, seek practical results and speak the truth.

31. Women enjoy equal rights with men in five aspects: The Chinese Communist Party and the Chinese Government have always attached importance to the liberation of women. Since the People's Republic was founded in 1949, women have not only obtained historical liberation, but also experienced fundamental changes in their status in the society and in their families. Their various basic rights and interests have gradually been guaranteed. Article 48 of the Chinese Constitution explicitly stipulates, "women in the People's Republic of China

enjoy equal rights with men in all spheres of life, political, economic, cultural and social, including family life."

32. Mass organizations: They include the All-China Federation of Trade Unions, the Chinese Communist Youth League, the All-China Women's Federation and other organizations which, boast the largest memberships and a long history, carry out their activities under the direct leadership of the Chinese Communist Party; the All-China Federation of Industry and Commerce, the All-China Federation of Returned Overseas Chinese, the All-China Federation of Taiwan Compatriots, the All-China Youth Federation, the All-China Students' Federation, the China Vocational Education Society, the Whampoa Military Academy Alumni Association, the Taiwan Fellow-Students Association, the China Council for the Promotion of International Trade and other organizations, which maintain ties with the people in certain areas and accomplish corresponding tasks. All the organizations take an active part in political affairs and display their roles in the reunification of the motherland and in invigorating the Chinese nation.

33. Anti-porn drive: The anti-porn drive refers to the nationwide drive to crack down on the illegal activities of smuggling, manufacturing, selling and spreading obscene books and magazines, movies, video-audio tapes and pictures. The Chinese legislature defines obscenity as specifically depicting sexual behavior and nakedly propagating lasciviousness. It excludes scientific works on the human body and medicine, and literary works and works of with artistic value but containing some obscene content.

### Political & Social

RENMIN RIBAO Head Assails Deng Comments  
OW3103152992 Tokyo KYODO in English 1500 GMT  
31 Mar 92

[Text] Hong Kong, March 31 KYODO—The head of the Chinese Communist Party newspaper and his aides denounced patriarch Deng Xiaoping this month for his recent comments criticizing hard-liners, an internal document showed Tuesday.

The document obtained by KYODO NEWS SERVICE said Gao Di, director of the PEOPLE'S DAILY [RENMIN RIBAO], voiced opposition at an in-house study meeting of the paper's top executives to Deng's recent comments seeking economic reform and an open-door policy. Deng made the comments during his visit to central and southern China in January and February.

Gao, whose forced resignation is rumored to be imminent, doubted at the meeting whether Deng holds the power to make sporadic policy comments since his resignation from the party leadership, the document says. A reformist group within the company recently

submitted the document to the Communist Party Politburo in order to leak Gao's remarks.

According to the information, many executives and staffers at the PEOPLE'S DAILY were delighted when a party document featuring Deng's comments arrived on March 2.

Gao said at the study meeting Deng's comments brought ideological confusion among newspaper executives, the document said. One executive of the newspaper echoed Gao, saying Deng has already retired to the status of a rank-and-file party member, so it makes no sense to accept his remarks as sacred, it said.

Gao also reportedly said at meetings on March 9 and 10 that since the PEOPLE'S DAILY carried a few stories on Deng's commentaries, it is no longer necessary to advertise the spirit of the commentaries.

The document also reveals what actions Gao took in the past to oppose Deng and distort the basic policy line of the Communist Party. It also came to light that Gao replaced more than 20 bureau chief-level executives with outsiders who oppose Deng's policies, according to the document.

**Personnel Arrangements Struggle Reportedly Begins**  
*HK0104061192 Hong Kong CHENG MING in Chinese No 174, 1 Apr 92 p 15*

[Article by Yueh Shan (1471 1472): "Prelude To Struggle for Personnel Arrangements on Eve of 14th CPC National Congress"]

[Text] Due to the unremitting escalation of the line struggle between Deng and Chen, a struggle over personnel arrangements has begun on the eve of the 14th CPC National Congress. At a Political Bureau plenary meeting held in Beijing not long ago, Song Ping suggested that the people in charge of the relevant CPC Central Committee and State Council ministries and commissions be invited to attend an enlarged meeting of the Political Bureau. This was, in fact, an attempt to strengthen the conservatives' momentum....

As the 14th CPC National Congress is drawing near, the curtain on the struggle for CPC high-ranking personnel arrangements is gradually lifting. Due to the unremitting escalation of the line struggle between Deng and Chen, personnel arrangements have become an important focus of struggle at the 14th CPC National Congress.

**Song Ping's Allocation of Seats at 14th CPC National Congress Favorable to Conservatives**

On 3 March, Song Ping, who is responsible for the 14th CPC National Congress preparations leadership group's organizational work, worked out a report on the allocation and arrangement of seats for CPC Central Committee members and alternate members at the 14th CPC National Congress.

The report lists that of the 14th CPC National Congress deputies, 63-68 percent are from CPC Central Committee and State Council departments, ministries, commissions, and systems; 26-32 percent are from provinces, autonomous regions, municipalities, and localities; and 4-6 percent are from military systems.

**Qiao Shi Wants To Increase Localities' Number of Seats**

When the report was submitted to the Political Bureau for discussion, Qiao Shi put forth: "It is essential to expand and increase the number of seats for localities." Wan Li forwarded: "To reflect the center of the current central work, the number of CPC Central Committee members for localities must increase while that for central ministries and commissions must give way."

At a 9-10 March Political Bureau plenary meeting held in Beijing, Song Ping suggested: The number of people in charge of relevant CPC Central Committee and State Council ministries and commissions invited to attend the enlarged meeting of the Political Bureau should be increased. Song Ping said: "Doing so benefits the implementation of the party's basic line and the making of preparations for the 14th CPC National Congress." This suggestion of Song Ping attempts to squeeze some conservative persons into the meeting to strengthen the conservatives momentum.

**Leftist Generals, Including Wang Renzhi, Contemplate Attending Political Bureau Meeting**

At a 26 February Political Bureau meeting, a resolution on adding Zhu Rongji, Zou Jiahua, and Yang Baibing to the Political Bureau was adopted. However, Song Ping proposed that four people, Lu Feng (director of the CPC Central Committee Organization Department), Wang Renzhi, Chen Xitong, and Chen Zuolin, should attend the Political Bureau meeting. Although this suggestion is, in principle, different from the addition of Zhu, Zou, and Yang to the Political Bureau, Song Ping's suggestion was not adopted at the meeting.

**Jiang Zemin: Allocation of Number of Seats Must Be Subordinated to Central Work**

At a 14 March Political Bureau meeting, Jiang Zemin forwarded a new suggestion on the allocation of seats for the CPC Central Committee members and alternate members at the 14th CPC National Congress: The seats for all localities should account for 60-63 percent; the seats for all CPC Central Committee and State Council departments, ministries, commissions, and systems should constitute 30-32 percent; and the seats for the army should make up 8-10 percent. Jiang Zemin stressed: "The allocation of the number of seats for the CPC Central Committee members must be arranged from the plane of the party's basic line and central work and the local leaders' role must be brought into play."



**Deng Xiaoping Hopes That 14th CPC National Congress Will Usher in New State**

Jiang Zemin's proposal fundamentally reverses Song Ping's proposal on the number of seats for CPC Central Committee members and alternate members and increases the number of seats for the localities by a wide margin. Some people maintain that this coordinates with Deng Xiaoping's tactics of allowing the local reform force to encircle the central conservative force.

Jiang Zemin also said: "Comrade Xiaoping is greatly concerned with the progress in the preparations for the 14th CPC National Congress and demands that fuller preparations be made and that the 14th CPC National Congress usher in a new stage."

There is still half a year to go before the 14th CPC National Congress, but the Deng-Chen struggle, that is centered on personnel arrangements, perhaps may escalate.

**Journal Views Party Support for Deng Remarks**

*HK0104073192 Hong Kong CHENG MING in Chinese No 174, 1 Apr 92 pp 6-7*

["Notes on Northern Journey" by Lo Ping (5012 0393): "More Than 23,000 Letters, Cables Urge Removal of Ultra-Leftists From Office"]

[Text] Will Gao Di, Wang Renzhi, He Jingzhi Lose Their Posts?

A strong wave is hitting the brain of every party official: Which side are you taking? Do you choose Deng's line or Chen's? Watch out! Your choice is bound up with your political fate! This wave coming from CPC Central Committee Document No. 2 (Deng Xiaoping's remarks during his trip to southern China), which is made up of 5,000-6,000 characters, has changed some 50 million CPC members.

—Some veterans who uphold Marxism-Leninism unswervingly "stand firm monolithically."

Some "revolutionaries" have changed their positions and followed the current trend in their old age.

Some old men have awoken from a deep sleep, with a lingering yearning for sweet dreams.

Some top-level, high-ranking, and intermediate-level cadres, who waver now to the "left" and now to the "right," have made a hard choice, that is, singing the new tune Deng Xiaoping has arranged.

Turbulence and division [of opinions] have once again surfaced in Zhongnanhai and in large and small cities and towns. It follows that rumors are spreading here and there. In Beijing's intellectual circles, the "hottest" news is that Gao Di, Wang Renzhi, and He Jingzhi will probably lose their jobs and that He Jingzhi will resign. People believe that they will see whether or not this will come true after the National People's Congress [NPC] session concludes.

**Does the Leftist XINHUA Director Mu Qing Follow Deng Xiaoping's Line?**

An anecdote happened at the XINHUA NEWS AGENCY. In early February, XINHUA Director Mu Qing, who is "leftist," read an article in Guangzhou written by two XINHUA Guangzhou branch reporters. It was a report about the economic situations of the Zhu Jiang delta and the "four tigers" in the delta. Suddenly, he had an inspiration. He added some remarks on "reform and opening up" to the article, which tended to be "leftist." He put special emphasis on the fact that the "tigers" in this area, which are "pioneers" in reform and opening up, are "racing against the dragons" (referring to the four dragons of Asia), and "eloquently explained the success of China's reform and opening up policy." What was special was that he added this: "The Zhu Jiang delta 'has always stuck to economic development' (which is the 'center' fixed by Deng Xiaoping) despite the storms and waves. It is because of sticking to it for 12-13 years that we have boosted development and made the people rich...." After adding these words, Director Mu handed the draft to the XINHUA NEWS AGENCY for publication. This time, Mu Qing "followed" Deng Xiaoping "closely." He wanted to use the article, which advocates Deng Xiaoping's line, to show his faithfulness and exemplary character. If it was Mu Qing's rational choice to do that, he is okay. But if he did so only to follow the trend or in an attempt to preserve his position, he did a disgusting thing.

**Li Peng and Song Ping Have Also Changed Their Tunes**

There are also some "Mu Qing's" in the top-level CPC Political Bureau Standing Committee.

Li Peng is one. To one's astonishment, this premier, who is always conservative and who is inclined toward Chen Yun, stressed at the 14 March Political Bureau meeting that it was necessary to emphasize Deng Xiaoping's "one center" in the government work report.

Song Ping also played Deng Xiaoping's sonata unexpectedly, though he did so "with one hand on a harp and the other covering his face." When participating in the group discussion meeting of Gansu Provincial NPC deputies, this staunch supporter of Chen Yun stressed, to one's surprise, the need to "concentrate energies to boost the economy." He said: "Without courage and boldness, one would dare do nothing and it would be impossible to deepen reform."

Li Ruihuan is a reformist, and no one doubts that he is another "Mu Qing" in Zhongnanhai. Before Deng Xiaoping's remarks, which he made when inspecting southern China, were passed around, he had already made speeches in line with Deng's viewpoint.

Jiang Zemin has now straightened his backbone. He is now a proponent of Deng Xiaoping's thought and line.



Deng Xiaoping needs him, and Jiang is now much closer to this "chief architect of reform and opening up" than in the past.

#### Qiao Shi Is Ascending, Song Ping Is Descending

What is particularly eye-catching is Qiao Shi. The series of statements and speeches he has made at recent meetings and his position highlight the fact that he is a close Deng Xiaoping follower. And people do not hope he is another "Mu Qing." A message passed around among the high-ranking goes: At the 9-10 March Political Bureau meeting, Jiang Zemin motioned that during his absence for inspection, overseas visits, or any other reason, Qiao Shi is to take charge of Political Bureau work. Wan Li and Li Tieying seconded the motion. The job had been originally assumed by Song Ping, though.

It seems that Qiao Shi is ascending while Song Ping is descending.

#### Political Bureau Standing Committee Members Support Deng; Few Support Chen

It seems, on the surface at least, that the ratio of Political Bureau Standing Committee member support for Deng and Chen is 5:1; and Yao Yilin is Chen's only chief supporter.

Despite the fact that many high-ranking and intermediate cadres now use the main tune of expediting and deepening reform because they are following the trend or they behave like "Mu Qing," in any case, one can see that Deng Xiaoping's remarks have a considerable cohesive power and influence within the party.

#### Cadres of Party Organs Propose Enlarging Political Reform

A figure explains one fact.

CPC Central Committee General Office cadres have disclosed that since February, the General Office, CPC Central Secretariat, and Deng Xiaoping's office have received more than 23,000 letters and cables from party committees, governments, army units, trade unions, communist youth leagues, youth federations, and people from all walks of life all over the country. Beijing Municipality alone received over 2,000 letters. These letters and cables show support for Deng Xiaoping's remarks made during his inspection of Shanghai and southern China.

Some letters said that this is the CPC's last chance to vitalize the nation.

Many letters requested removing from position, or blotting out the posts of, leading cadres who are opposed to reform, opening up, and the one center (economic development) and who are just following a trend. Among the leading cadres named were: Chen Yun, Yao Yilin, Song Ping, Wang Zhen, Li Xiannian, Song Renqiong, Li Ximing, Zhu Muzhi, Chen Xitong, Wang Renzhi, Lu Feng, Gao Di, Yuan Mu, and He Jingzhi.

Some cadres of party organs stated in their letters that while pursuing economic reform, China also needs to enlarge political reform. It is said that letters are still coming in large numbers. We can see from this that Deng Xiaoping's line has won widespread support. As far as popularity is concerned, Chen Yun and his faction are now at a disadvantage.

#### Tiananmen Festival Security 'To Be Strengthened'

HK0104035592 Hong Kong MING PAO in Chinese  
1 Apr 92 p 6

["Special dispatch" from Beijing by staff reporter Lin Tsui-fen (2651 5050 5358): "Security Work at Tiananmen Square To Be Strengthened During Qingming Festival"]

[Text] Chinese Public Security Minister Tao Siju said yesterday: During the sensitive Qingming Festival, the authorities will strengthen security work at Tiananmen Square. He said: During the Qingming Festival each year, tens of thousands of people visit graves at Babao Shan and the authorities, as a rule, send more traffic police to maintain order.

When interviewed by this reporter yesterday while attending a National People's Congress [NPC] panel meeting, Tao Siju said: On all major holidays, the authorities have to strengthen and make better arrangements for the maintenance of order, because any oversight may cause trouble. For instance, during the Spring Festival last year, extra admission tickets were issued for the Taiyuan Lantern Festival in Shanxi and the overcrowding caused deaths.

As to the security on Tiananmen Square on 4 April, Tao Siju said: Tiananmen Square is a place of solemnity and people are not allowed to present wreaths to the Monument to the People's Heroes for no special reason. In fact, except during a certain special political climate, ordinary people do not hold memorial ceremonies on Tiananmen Square.

Tao Siju continued: This year's political climate is relatively good. The people are seeing more and more clearly that improving the economy is the people's common wish, the material basis is indispensable for democracy and liberty, and that extensive democracy and rule by law cannot be implemented without economic growth.

When asked about a person distributing handbills outside the Great Hall of the People during the NPC session the other day, Tao Siju said: That person was merely complaining about his personal treatment, with absolutely no political background.

Tao Siju said: The security has been fine during the two meetings and there has been no big problem. The deputies have been well protected.

**Military****Deng Said Securing Military's Support for Reform***HK0104011292 Hong Kong SOUTH CHINA  
MORNING POST in English 1 Apr 92 p 11*

[By Willy Wo-lap Lam]

[Text] Patriarch Mr Deng Xiaoping is involved in new moves to elevate his proteges to top positions in the military and government in the run up to the 14th party congress late this year.

This is to ensure that the "Deng line" on market reform will survive the patriarch.

Chinese sources said Mr Deng wanted to preserve his dominance over the military, a traditional source of support. They said that following the retirement of the President, Mr Yang Shangkun, at the 14th congress, his other position as vice-chairman of the Central Military Commission (CMC) would be taken by his half-brother, General Yang Baibing, who is at present the CMC's secretary-general.

Chief of Staff and Deng loyalist General Chi Haotian is a candidate to fill General Yang's seat.

General Yang and General Chi have both been active during the National People's Congress defending the Deng line.

China analysts said Mr Deng was also cementing ties with the party's Ye Jianying faction, comprising relatives and followers of the late Marshal Ye, who played a key role in toppling the Gang of Four radicals.

On Sunday, two leaders of the Ye faction, Chinese People's Political Consultative Conference vice-chairman Mr Ye Xuanping and vice-premier Mr Zou Jiahua, caused a stir among the capital's media when they and their families ate a buffet lunch in a Western-style hotel.

Mr Ye, who is married to Mr Zou's younger sister, is a former governor of Guangdong who has immense prestige as a reformist.

Sources said that during his recent tour of southern China Mr Deng had a long meeting with Mr Ye, during which he urged the former governor to play a bigger role in national affairs.

Normally regarded as a conservative technocrat, Mr Zou surprised analysts last week by saying that a growth rate of up to 20 percent—substantially higher than that recommended by the premier, Mr Li Peng—was acceptable as long as it was predicated on efficiency.

Together with vice-premier Mr Zhu Rongji, another Deng protege, Mr Zou is mentioned as a possible candidate for prime minister if Mr Li fails to get a second term.

"It will be a major victory for Deng if vice-premier Zou moves into the camp of the moderates," a Western diplomat said.

At the same time, Mr Deng has sent personal emissaries, especially his son, Mr Deng Pufang, and daughters, Ms Deng Lin and Ms Deng Rong, to build up a network of the nation's "fourth-generation leaders".

"Deng wants to win over the fourth generation, or cadres in their 40's, because they will assume positions of power towards the end of the decade," a Chinese source said.

"Deng Pufang has recently travelled to Shandong and Guangdong, where he relays his father's reform messages to fourth-generation local-level officials."

However, analysts say that the Central Committee's organisation department, which controls major party and government appointments, remains a leftist stronghold.

They say it is unlikely Mr Deng could purge the central planners as well as managers of state factories, who have the most to lose if market reform is pushed vigorously.

**Aircraft Carrier Purchases From Russia Planned***HK3103080192 Hong Kong CHENG MING in Chinese  
No 174, 1 Apr 92 pp 17-18*

[Article by Kuan Chuan (7070 1557): "CPC Plans To Order Aircraft Carriers From Russia"]

[Text] Recently, the Western media disclosed the following information: The U.S. Government is exasperated at Israel for turning over U.S. arms technologies to the CPC. These transactions covered technology for making Patriot missiles, which made a spectacular contribution in the Gulf war, and the technology for making laser-guided artillery shells. No matter whether this report is accurate or not, it at least gives one message: The CPC is stepping up its efforts to replenish the military equipment of its armed forces, improve its military technologies, and obtain the military science and technology of advanced nations in a bid to make itself the "big brother" of some small and medium-sized countries and to contend with the "hegemonism" of the United States. On the other hand, it wants to capitalize on its military power to pressurize Taiwan, trying to force it to give in to its political demands.

**Western Sanctions Make CPC Turn to Russia for Arms Purchases**

After the Gulf war, the CPC was extremely shaken by the military "performance" of the multinational troops headed by the United States in the punitive operation against Iraq. The CPC military, in particular, felt very unhappy about their backward military equipment and believed that it would leave them in a vulnerable position. Moreover, the 4 June incident has put China under various degrees of sanctions from the United States and other Western countries, making it all the more difficult



for China to obtain advanced military technologies from the West. Under such circumstances, the CPC has turned to East European countries and members of the Commonwealth of Independent States for military equipment and technologies. This is not unexpected.

#### **Ordering Aircraft Carrier of 30,000 Tonnes Displacement**

According to a Defense Ministry official, in February this year, the Central Military Commission approved the application for a defense budget increase of \$2.8 billion. This sum, plus the special budgetary expenditure of 12 billion yuan approved by the State Council after revision, will be spent on a batch of military equipment from Russia, including 72 MiG-27 fighters, 48 newly refitted T-72 tanks, and three to five naval vessels. It has been learned from the military that the CPC will buy or order an aircraft carrier of 30,000 tonnes displacement.

Besides, the CPC military has come to an agreement with the Russian Government whereby Russian Air Force instructors will be invited to China as trainers of MiG-27 pilots and 80 to 100 Chinese Air Force men will be sent to Russia on training courses.

#### **Analyst's Report of Institute of Military Scientific and Technological Information**

Toward the end of February this year, the Institute of Military Scientific and Technological Information, under the CPC Ministry of National Defense, submitted an analysis to the Ministry. The report said that, in terms of China's current military structure, defense expenditure is 35 percent too little, whereas in terms of China's GNP, it is 9 percent too much.

This report reveals that in the year 1990-1991, the total output value of the arms industry nationwide was 216.2 billion [no unit specified], of which 23 billion came from civilian production in the arms industry. Since the 1970's, China's arms industry has grown 135 percent; and compared with the period from the beginning of the 1980's to 1985, the growth rate was 78 percent.

The report discloses another noteworthy message: In the year 1990-1991, the CPC exported \$7.85 billion worth of military equipment, apparatus, and technologies. The exports went to as many as 14 countries, mainly in the Middle East and Asia. In the same period, the CPC imported \$4.2 billion worth of military equipment and technologies from the United States, West Europe, East Europe, and countries in other regions. The import contracts signed were worth \$6 billion.

#### **Defense Budget to Reach More Than 90 Billion Yuan in the Year 1992- 1993**

The report points out: Defense expenditure in the year 1990-1991 was 87 billion yuan, 12.7 percent over budget, up 21 percent over the previous year. Estimated defense expenditure for the year 1992- 1993 will be 98.5 billion yuan.

In the new year, the total output value of the arms industry will reach 250 billion yuan, of which 70 billion to 75 billion yuan will come from production for civil purposes in the arms industry and capital construction.

The report discloses: Spending on new weaponry research in the aircraft industry, warship industry, and missile industry needs to increase by 7.6 billion yuan. It is estimated that 5.3 billion yuan will be spent on the import of military equipment and technologies, including electronics, program control, and laser technologies. The purchase of aircraft, missile destroyers, large transport ships, and aircraft carriers will cost an estimate of 15 billion yuan, part of which will be paid for with light industrial products.

#### **Exports of \$8 Billion Worth of Military Equipment Planned**

The report points out that the CPC is planning to export \$6 billion to \$8 billion worth of military equipment, apparatus, and technologies. Some of the contracts and export projects in aeronautics and astronautics technologies will be worth about \$400 million.

As disclosed by the report, from the beginning of 1992 until 1993, 2,000 military planes and 165 naval vessels of various kinds will be eliminated; and 13,000 tanks and personnel carriers will be eliminated or refitted.

#### **Low Quality of Soldiers Is Big Obstacle**

A high-ranking general raised doubts: Though the CPC has been constantly increasing military expenditures and improving military equipment and technologies, the quality of soldiers is still on the low side. This is a big obstacle in mastering modern weaponry and military technologies. Probably, nobody has a ready answer as to whether the CPC can improve this situation within a short time.

#### **Military Commission Leaders Attend Special Opera OW0104042192 Beijing XINHUA Domestic Service in Chinese 1543 GMT 31 Mar 92**

[By reporter Jia Yong (6328 3057)]

[Excerpt] Beijing, 31 March (XINHUA)—The Huangmei Theatrical Group from Anhui, bringing with them the profound feelings of the 5.7 million people of Anhui Province, performed the opera "A Dream of the Red Mansions" this evening for soldiers stationed in the capital to express their appreciation for the selfless help offered by the the People's Liberation Army [PLA] in combating floods and rebuilding their homes. Among those attending the performance were Liu Huaqing, Yang Baibing, Chi Haotian, Zhao Nanqi, and other leading comrades of the Military Commission; leaders of major units of the three PLA general departments stationed in Beijing; and Anhui's party Secretary Lu Rongjing and Governor Fu Xishou. [passage omitted]

**Economic & Agricultural****Tax Official Announces Steps Against 'Dodgers'***HK0104015692 Beijing CHINA DAILY in English  
1 Apr 92 p 1*

[By Zhang Yu'an: "State Steps Up Battle Against Tax Dodgers"]

[Text] The government has decided to step up its battle against "increasingly serious" tax dodging activities throughout the country, despite a continuous growth in the tax revenue, a senior official with the State Taxation Administration announced yesterday in Beijing.

Jin Xin, administration director, told a press conference that the government will take a number of steps intended to remind people of their legal obligation to pay taxes to the State.

Heavier penalties will be meted out to tax dodgers, especially those who use violence in refusing to pay, Jin said.

The country is currently drafting a new set of tax collection regulations that is expected to be approved by the Standing Committee of the National People's Congress (NPC) this year, he told reporters.

In the meantime, the Supreme People's Court and the Supreme People's Procuratorate will soon jointly promulgate detailed rules on legal proceedings to deal with criminal cases of tax dodging or refusal to pay taxes by violent means, Jin said.

Moreover, NPC's Commission of Legislative Affairs is preparing to rewrite some of its criminal laws in regard to punishment for such offences.

The punishments will be much more severe, Jin disclosed.

Any law changes will be subject to examination and approval at the next conference of the NPC Standing Committee, he said.

Finally, he said the country is drafting a regulation on administration of invoice printing and utilizing. Currently, a lot of false invoices in the market are being used to dodge taxes.

Because many people have a "weak sense of obligation" about paying taxes, tax dodging is still quite common in some areas, and violence often occurs. Tax dodging by foreign-funded ventures is also serious, Jin said.

Each year, about 3,000 official tax collectors are beaten while trying to perform their duties; some 200 are seriously injured or maimed. "About three to five tax collectors are beaten to death every year," he revealed.

Nationwide statistics for 1987 through 1991 showed 12,415 cases where persons used violence to avoid

paying taxes; 11,146 tax collectors were beaten, of whom 1,221 were seriously injured, 26 were disabled and 21 were killed.

Jin said the administration has decided to earmark each April as a month of tax law education, designed to foster in people a strong sense that socialist taxes come from the people and are used for the people and that it is their obligation of all citizens to pay taxes to the State.

Despite instances of tax evasion, China collected a total of 233.4 billion yuan (\$43.22 billion) in taxes last year, which was 2.9 billion yuan (\$537 million) more than the planned figure and a 8.6 percent increase over the previous year.

Taxes have now become a major source of State revenue and an important lever to adjust and control the national economy.

Jin predicted taxes will play a key role in the country's drive for economic reform and opening to the outside world.

**Wang Bingqian Urges Closing Loopholes***HK0104052292 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 11, 23 Mar 92 p 21*

["China Economic News" column: "Finance Minister Wang Bingqian Stresses Need To Prevent Tax Evasion"]

[Text] State Councilor and Finance Minister Wang Bingqian stressed the need to resolutely stop arbitrary reduction or exemption of state taxation. He pointed out: Now there are many loopholes in revenues. Some regions and departments have invented all sorts of names and formulated their own laws and regulations to reduce or be exempt from taxes. The problem of retaining and misappropriating state revenues is quite prominent. In the meantime, tax evasion, defaults in tax payments, and falsification of pre-tax loan repayments are also very prevalent. We must be determined to solve these problems. Local governments at all levels should strictly exercise state financial laws and regulations and are not allowed to overstep their rights in reducing or exempting taxes. Without the approval of the State Council or the Finance Ministry, central departments are not allowed to provide additional terms on tax reductions or exemptions in the relevant documents. In the meantime, Wang Bingqian also pointed out that this year the central government will centralize the right to approve major tax reductions and exemptions.

**Official Outlines Shareholding System Measures***HK0104041992 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 11, 23 Mar 92 p 21*

["China Economic News" article: "Gui Shiyong Stresses Need To Implement Shareholding System"]

[Text] Talking about improving and strengthening macroeconomic management of investment in fixed assets at



an important meeting held recently, Gui Shiyong, vice minister of the State Planning Commission, stressed the need to implement the shareholding system. It includes the following:

- To adopt various methods, such as the state's participation as a shareholder, joint investment, and increasing the issuance of bonds, shares, and other valuable securities, to raise funds for the construction of major industrial projects and projects urgently needed by society.
- To encourage local authorities, departments, and enterprises to implement the shareholding system with their own funds and develop the industries and products needed by the state.
- To carry out effective management in various projects under the shareholding system or in the form of a joint venture. In all joint ventures for construction projects, a board of directors should be established by various sides of the investors, which will be responsible for making preparations, raising funds, and working out measures for the construction as well as production and management after the projects are put into operation. The products, profits, taxes, labor and employment quotas, and responsibilities are shared by various sides of a joint venture in light of the proportions of their investments.

**Commentary Views Progress in Circulation Reform**  
*OW3103145392 Beijing XINHUA Domestic Service*  
*in Chinese 0400 GMT 29 Mar 92*

[Commentary by XINHUA reporters Yan Zhenguo (7051 2182 0948) and Ni Xiaolin (0242 1420 2651): "Broad Circulation, a Big Market—The Theme for Reforming the Circulation System in 1992"]

[Text] Beijing, 29 March (XINHUA)—The successes and failures of reform in the past decade have made people understand more and more profoundly that one can only guarantee the healthy and steady growth of a socialist commodity economy by establishing nationwide a unified circulation system with a broad circulation and a big market. It is gratifying that this understanding has evolved into a major theme for reforming the circulation system this year.

Decontrol brings vitality and free flow begets efficiency. At the onset of reform, the state established a policy to stimulate the circulation system and to set up a unified market nationwide with a view to thoroughly extricating itself from the ossified structure of a product economy. China began experimenting with reform to develop a broad circulation and a big market nationwide as early as the mid-1980s; however, because people failed to deeply understand the law of commodity economy during the early stages of reform, they tended to devote their energy only to creating more channels and less intermediaries, and reform was limited to the invigoration of small and medium-sized commercial concerns, leaving the reform

of large enterprises basically untouched. On the other hand, because each locality is responsible only for its own finances, they tended to do everything possible to protect the local economy in a bid to speed up local development and grab more benefits. As a result, an unhealthy economic framework of some 20 "principalities" and 2,000 "princes," each doing things their own way and based on regional division, came into being. By the time people woke up, the bitter fruits of blocked circulation and huge losses in enterprises caused by regional segregation and local protectionism began to emerge one after another. Although reform at that time had a great impact on the old system, it did not bring about the desired effect of establishing the system for a broad circulation and a big market.

In sharp contrast to this was the formation, spontaneously and semi-spontaneously, of a group of commodity wholesale markets, such as the button market in Zhejiang's Wenzhou, the vegetable market in Shandong's Shouguang County, the sideline farm produce market in Beijing's Dazhongsi, and the packaging material market in Hebei's Baigou, in which circulation was based on price laws. These markets thrived increasingly well and demonstrated great vitality.

In the face of these harsh realities, governments at all levels began to understand that the development of a commodity economy is inseparable from a big market with goods flowing freely nationwide.

The change in mentality and the deepening of understanding once again directed people's attention toward a broad circulation and a big market.

In 1991, the state introduced reform measures to lift controls on grain, nonstaple foodstuffs, sugar, and some industrial goods for daily use. Local governments which experienced hardships trying to carve up the market also took the initiative to create a flexible environment based on price laws. Chongqing experimented with price reform, management, hiring, and distribution in eight stores. Beijing Municipality introduced reform on self-management, self-responsibility for profits and losses, self-development, and self-restraint in four major shopping centers. That unfolded another round of reform in the commerce system of China and culminated in a small climax last winter and this spring.

Shaanxi Province looked far ahead and voluntarily abolished 2,289 highway checkpoints set by localities and departments on their own, and one-third of the checkpoints established with approval of the provincial government.

To push the enterprises toward a market, Shanghai Municipality introduced six "autonomy" measures—investment, management, price, distribution, hiring and organization setups—to reform commerce, and focused on changing the operation mechanism to convert enterprises into business entities with power to make their own decisions.

Tianjin Municipality was more explicit and introduced programs to reform the circulation system with big commerce, big markets, and broad circulation as the objective.

With transforming enterprise operating mechanisms as the forerunner, Beijing Municipality once again opened its door and invited enterprises from all over the country, urging the localities to sell, invest, and set up offices in the capital. Guangdong, Hubei, and Liaoning also gave the approval for goods to flow freely in and out of their regions.

The development history of the commodity economy demonstrates that the prerequisite for a country for the development of its commodity economy is to establish a market in which capital, goods, and labor can flow normally, and not be carved up by central and regional authorities. The formation of such a market also depends on conscientious cultivation by authorities from the highest to the lowest levels because spontaneous markets are only markets of a small commodity economy. After analyzing the new steps to reforming commerce, promoted by various localities over the past year, one can easily note that compared to reforms in the mid-1980s, the nature of the reform features have changed. First, they set their sights far ahead and voluntarily filled the voids, removed the barriers, and opened the doors to break up regional blockades. Next, they strived to separate administration from business, with governments taking bold steps to delegate power to enterprises. Third, they strived to change the operating mechanism with emphasis on large and medium-sized enterprises. All these measures revolved around one center—that is, working hard to cultivate essential market factors and promoting the formation of a broad circulation and a big market nationwide.

Because reform in the past year has been consistent with the realities for economic development in China and have reflected the wishes of governments and enterprises, they were rapidly promoted across the nation and one can quickly notice their efficacy in economic life. The proof is the thriving scenes in markets across the country during the Spring Festival this year. What is more gratifying is that enterprises that were empowered to make their own decisions are beginning to enter the markets filled with vitality. Big and small commercial concerns accommodate each other. Wholesalers are moving on to retailing. Commercial enterprises have begun to penetrate industries, and some have even set up shop in other cities and foreign countries. This situation indicates that reform in this regard has at last made its mark. In view of this, many workers in the commercial sector are cheering in their hearts: "The spring of reform of the circulation system has arrived!"

The day when broad circulation and a big market takes shape will also be the day when the socialist commodity economy of China thrives. Judging from the general trend of reform nationwide, the pace at which enterprises move toward the market has quickened, and the

framework of a broad circulation and a big market nationwide, will soon emerge. But with the acceleration of reform, it is inevitable that conflicts with the previous system of central and regional management as well as some obsolete rules and regulations will occur, and the extent of difficulty is self-evident. Therefore, we will need great efforts from all walks of life in society, in particular, governments at all levels, to accomplish this great cause of reform which is related to the whole situation.

#### State Commission on Reform Plans in 1992

OW3103135992 Beijing BEIJING REVIEW in English  
No. 12, 23-29 Mar 92 pp 14-16

[Interview with unidentified member of the State Commission for Restructuring the Economic System by unidentified reporter; "Speeding Up Economic Reform in '92"—BEIJING REVIEW headline]

[Text] Question: What are the key points of this year's reform? In what respects will the state further promote the reform?

Answer: This year the reform of the economic system will focus on revitalization of large and medium-sized state-owned enterprises, the implementation of the Enterprise Law and the change of enterprise operating mechanism so the enterprises can join the competition in the market.

With the above-mentioned work at the core, the state will actively boost reform in other fields such as active and prudent reform of the pricing system; reinforcing reform of the circulation system; strengthening indirect regulation and control by economic levers; taking bigger steps in the reform of housing, social security and medicare systems; experimenting with other important reforms and boldly exploring the ways for the establishment of new economic systems and mechanisms; and further deepening rural reform.

#### Enterprise Reform

Q: In the reform undertaken this year, which new operating mechanism will be initiated for enterprises?

A: At present, the most important task is to break "the iron rice bowl" and introduce a distribution system of "more pay for more work." The employment system for cadres and workers will be changed into a contract system. A new mechanism will be set up to control distribution and construction investment within enterprises. The mechanisms for incentive and supervision will be further improved.

Q: How will the distribution principle of "to each according to his work" be implemented even better in the reform?

A: To implement enterprise autonomy in internal distribution, the state will make efforts to control the increase in total wages and allow enterprises to set their own



forms of distribution according to their operation situation. Risk funds will be set up to compensate for losses incurred because of poor management. If conditions permit, some enterprises can gradually adopt a new distribution system—fixing wages according to ability—to widen the gap between the highest and the lowest income. In this way, the economic efficiency of the enterprises, workers pay and personal contribution to enterprise are firmly interconnected.

**Q: How will the internal employment system of enterprises be improved step by step?**

**A:** The method by which managerial personnel in enterprises are treated as government officials should be gradually changed. The different treatments between cadres and workers will be eliminated and employment of managerial personnel will be based on the principle of openness, fairness, competition and selecting only the best.

An overall contract employment system for enterprises will be widely adopted and improved, and the employment service system strengthened. The labour structure of enterprise will be further optimized. Enterprises will absorb most of the surplus labour forces by creating more job opportunities. According to contract articles, the enterprise has the right to employ and dismiss workers within its personnel quota and workers have the right to resign.

#### Share Holding

**Q: Regarding the experiment with the share-holding system, will some new programmes be drafted this year?**

**A:** This year, the relevant policies and regulations on the experiments of the share-holding system will be formulated more quickly in order to encourage various forms of share-holding experiments. To promote the rational readjustment of enterprise organizational structure and carry out a share-holding system wherein a legal entity owns shares, enterprises owned by the whole people can purchase others' shares while developing cooperation with other enterprises and organizing enterprise groups. The new enterprises built with joint investments from central and local governments or enterprises may operate as share-holding limited liability companies when and where conditions permit. Some qualified enterprises owned by the whole people can solicit investment from or sell shares to non-state enterprises to become limited liability joint ventures.

The share-holding system among workers in an enterprise can be expanded in a planned way. For projects involving infrastructure or technological innovation which have been listed in the national development programme but lack capital, shares can be issued to their employees as a means to raise funds. After assets are evaluated, employees and enterprises can enjoy profits from the shares according to the principle of "sharing and risks and profits alike."

#### Price, Trade, Housing

**Q: How will price reform be undertaken this year?**

**A:** Price reform will continue to develop in an active and discreet way. In light of the guideline for stabilizing prices while invigorating the economy and on the premise of maintaining overall stability of the general price level, the reform will focus on adjusting the irrational prices of certain products. A new mechanism shall take shape for commodities which have a balanced supply and demand and prices may be decontrolled step by step so as to give play to market regulation. A new catalogue of assorted prices rules will be revised and implemented while adjusting divisions in price administration authority and researching measures for price liberalization.

**Q: The reform of foreign trade system achieved its proposed goals in 1991. How will the reform be further accelerated this year?**

**A:** Regarding the foreign trade system, the assumption of exclusive responsibility for profits and losses shall be further improved in order to transform the managerial mechanism of various foreign trade enterprises. The administration of licences and quota distributions will be improved. A mechanism of competitive bidding for exports will be introduced. A "tax-return for exports" system will be fully utilized so that the producers can regain tax-returns according to their export achievements. The import operating system will be reformed so that a mechanism to handle imports, directly under the guidance of a national industry policy and to regulate import by means of tariff will be established. Moreover, the link between production and marketing shall be strengthened and the combination of industry with trade be stimulated. The foreign exchange regulatory market will be expanded and the exchange rate be adjusted slightly to implement a fluctuating rate system.

**Q: How will housing reform be accelerated?**

**A:** Housing reform will be geared up this year. In light of the principle of formulating a unified policy but making decisions suited to local conditions, the reform will make progress in such areas as rent-increases, sale of commercial apartments, funds for housing, construction, setting up housing-funds, establishment of a capital participation system for housing construction and development of a real estate market.

#### Macro-Economic Reform

**Q: What plans does the state have regarding macro-economic reform this year?**

**A:** The state will further reduce the scope of mandatory plans and reform its managerial methods. At the provincial level, the production and allocation of the products manufactured under the state mandatory plan will be cleaned up. All production and management, which can be decontrolled, will be freed from restraints. Moreover, there will be reform of guiding plan methods and,

gradually, some practices in which the state enjoys priority in ordering goods, contracts for goods supply and production of products according to markets will be introduced. There will be a deepening of the investment system reform to promote structural adjustment and control of the scale of investment in social fixed assets by means of financial and tax regulations. The number of new construction projects will be placed under strict control. The past method wherein investments for key construction projects were mainly provided by the state will be altered. State investment will be collected in the forms of stocks and interest deduction in order to direct investment trends and adjust the investment structure. Finally, a multi-lateral investment system with the joint participation of the central government, the localities and enterprises will be set up.

There will be a speed up of financial system reform and implementation of a multiple budget at the state and provincial levels. In co-ordination with reforms in price, commerce, goods and materials, and foreign trade and structural reform of productive enterprises, financial subsidies will be reduced.

According to State Council decision, beginning this year, the income tax rate for large and medium-sized industrial enterprises owned by the public will be reduced from 55 percent to 33 percent in three years. This year, it will be put into practice first in some pilot industrial enterprises which undertake mandatory plans and are expected to conduct more technological innovation projects.

The income tax rate for state, collective and private enterprises will be unified in a planned way and improvements made in personal income regulatory tax. The bonus tax will be combined with wage regulatory tax.

In conjunction with relevant financial system reform, the capacity of macro-economic regulation and control of the central banks will be enhanced so that currency policy can be formulated scientifically.

The money market will be further developed too. Relying on the current trans-regional capital network, several transregional or trans-sector capital markets will be set up to form a national call-money regulatory centre. There will be further development of a stock and bond market, progressive increase in the variety of bonds and improvement in the circulation and transfer of bonds. There will also be further expansion in contracted sales of treasury bills and experiments in issuing scrippless bonds and special RMB stocks to absorb overseas investments in the form of stocks. The stocks of certain share-holding enterprises or groups in other parts of China can be traded in the Shenzhen and Shanghai stock exchange markets.

### First Direct Container Railway Service Developed

OW0104103392 Beijing XINHUA in English  
0833 GMT 1 Apr 92

[Text] Shenyang, April 1 (XINHUA)—A train with 1,800 tons of goods in 1,484 containers left Shenyang, capital of northeast China's Liaoning Province, today for Guangzhou, capital of south China's Guangdong Province.

The train will travel more than 3,000 km and is expected to arrive in Guangzhou in three days, five days quicker than the usual container route.

This is the country's first direct container railway service so far.

According to the Ministry of Railways, the country's annual freight volume of railway transportation is 1.4 billion tons. But goods transported in railway containers only account for 0.6 percent of the total in the country as against 70 percent in developed countries.

The Chinese railways departments have drawn up long-term plans for vigorously developing the country's container railway transport services, setting the annual growth rate of such services at 30 percent.

Besides Shenyang, the railway administrations of Beijing and Harbin are also designated to start such services beginning today and are expected to dispatch a total of 30 direct container trains each month, according to sources from the Ministry of Railways.

### New Eurasian Continental Bridge Opens

OW3003130492 Beijing XINHUA in English  
1139 GMT 30 Mar 92

[Text] Beijing, March 30 (XINHUA)—The completion of the second Eurasian continental bridge has opened up an east-west corridor, giving rise to an open belt that runs across the country from the eastern coast to the border in the far northwest.

The north-south open belt has already taken shape along the coasts from northeast China down to the southernmost Hainan Island.

The second Eurasian continental bridge refers to China's east-west railway which starts from the coastal port city of Lianyungang and runs through six provinces and an autonomous region to reach Rotterdam of the Netherlands through the former Soviet Union. This is the shortest transportation line from the coast of the Pacific to the rim of the Atlantic Ocean, saving 20 percent of the transportation charges and 50 percent of the time as compared with transportation by water.

The railway line has brought development and open opportunities not only for the provinces and the Xinjiang Uygur Autonomous Region but also for other places nearest the line.



Jia Zhijie, governor of Gansu Province, said that in fact, since the connection of the second Eurasian continental bridge, the railway has already had an initial positive impact on the economic development and development strategies of the provinces and regions along the railway.

It has stimulated the double-tracking project of the Lanzhou-Wuwei railway, the Lanzhou-Xinjiang railway in west China and the Baoji-Zhongwei railway.

The double-tracking of the Lanzhou-Xinjiang railway and the electrification of the Baotou-Lanzhou railway are expected to start soon.

In central China's Henan Province, the marshalling station of Zhengzhou has been transformed into one of the largest of its kind in the world, with the degree of automation reaching the advanced world level.

Lianyungang, the "bridgehead" at the eastern end of the continental bridge in China, has constructed 21 deep-water berths, expanding its handling capacity to 17 million tons.

The momentum of port construction in the city continues unabated, with the ultimate objective of making the city a modern comprehensive multi-functional harbor capable of handling more than 100 million tons of freight annually.

The regions along the continental railway, including Jiangsu, Shandong, Anhui, Henan, Shanxi, Shaanxi, Sichuan, Gansu, Ningxia, Qinghai and Xinjiang have seized the opportunities and made intensive efforts to promote their cooperation in economic and technological development and exchange of information and personnel. In fact a large economic development belt, the largest in the country, has taken shape.

According to statistics, up to the present, about 6,000 agreements on over a thousand economic cooperative projects have been concluded among them and funds totalling over 10 billion yuan have been accommodated.

Coal, aluminum ingot, lead and antimony, raw salts, cotton, grain and other agricultural sideline products in the west have begun to flow to east China.

Materials, funds and technology in central China and east China are flowing to the west for developing energy and mineral resources and building infrastructural projects.

Now the 10 provinces and one autonomous region along the line are pooling funds to develop natural resources, establish export bases and open up international markets.

Li Donghui, vice chairman of the government of the Xinjiang Uygur Autonomous Region, said that recently, many delegations from the interior and coastal provinces came to Xinjiang on investigation tours to explore ways of how to make fuller use of the continental railway.

He said that Xinjiang has signed with its cooperation partners hundreds of the agreements and contracts on building infrastructural projects and export bases along the railway line.

Qin Zhaozhi, a deputy from Liangyugang city, said that more than 10 interior provinces and municipalities have opened their liaison offices or showcase enterprises in liangyugang and invested more than 500 million yuan in port construction in the city.

He noted that Shaanxi and Gansu Provinces are raising funds for construction of six 10,000-tons berths in Liangyugang for their own uses.

According to Li Changchun, governor of Henan Province, Henan Province has decided to organize a group of cities into an opening belt.

It will establish an international goods collection and distribution center in Zhengzhou, the biggest marshalling yard of the railway.

The export volume of xinjiang through the continental railway last year reached 360 million U.S. dollars, including more than 94 million U.S. dollars in border trade, increased by 41.9 percent over the previous year.

By the end of last year, the cargo handling capacity at the alataw pass of the continental railway had reached 150,000 tons and this year the handling capacity is expected to rise to 1.8 million tons.

Lianyungang city has set up economic and trade ties with 82 countries and areas and shipping relations with over 270 ports in the world. It is planning to start the first international through train service for passengers in the third quarter of this year.

The second Eurasian continental bridge has aroused extensive interest in the world. In recent years, businessmen from Japan, Italy, South Korea, Taiwan and Hong Kong went to the provinces and regions for investigation, exploring possibilities to make use of the railway.

An Italian businessman invested 130 million yuan in Lianyungang to build a container factory with an annual production capacity of 30,000 standard units. The factory will be expanded to increase its output to 50,000 standard containers.

**Government To Redefine Exports Rule of Origin**  
*HK0104034592 Beijing CHINA DAILY in English*  
1 Apr 92 p 2

[By Wang Yong: "New Rules for 'Made in China'"]

[Text] China will make public a detailed scenario within a few days on how to judge the origins of its export goods in the light of international practice.

The move comes at a time when China has decided to use the level of sophistication of processing procedures

employed in making a product in China as the main yardstick in deciding whether the product should be labelled "Made in China."

The elaborated list of decreed principal processes for specific kinds of goods will be available in the Chinese press early this month, hammered out by the Ministry of Foreign Economic Relations and Trade (Mofert).

Meanwhile, Mofert will promulgate the means to implement the country's first Rule of Origin of China's Export Goods, effective from May 1.

"The new rule has put an end to the past when we neglected the management of certificates of origins," said Zhang Guotian, an official from the foreign trade administration department of Mofert.

Until now, China has deemed the products as home made so long as the final processing procedure is completed in the country.

But the prospering foreign investment in China in recent years has underscored the problem that too many products with little added Chinese value have been approved to use the "Made in China" certificates.

"The result is that foreign investors have unduly enjoyed China's export quotas in world markets," Mofert officials explained.

"Now, we are encouraging foreign investors to use more Chinese raw materials, technology and equipment to enhance the sophistication of processing made in China," said Li Haoran, director of the Mofert's foreign trade administration department.

He noted that the spirit of the new rule can be seen through the list of processing procedures.

"While aiming to protect our own industries, we are not hurting the interests of foreign investors," he pointed out, taking stock of the fact that foreign investment in South China has contributed a lion's share of the local export in the past few years.

The new rule stipulates that products discouraged by the government—perhaps churned out by labour-intensive ventures—will be regarded as made in China only if 25 percent of the value is generated by Chinese components. At the same time, the processing procedure standard will also be applied.

As for technology-intensive products, a single processing procedure standard will be sufficient.

"But the processing procedure standards are subject to adjustment in the future," Li pointed out.

These standards, as well as the general rule of origin of China's export goods, have been master-minded with reference to the agreement on rules of origin thrashed out by the member states of Gatt (General Agreement on Tariffs and Trade) last June.

"This has served to narrow the gap between China and Gatt in terms of international trade norms," Li said.

**Coastal Areas Ascend to 'New Level' of Opening**  
*OW3103153892 Beijing XINHUA in English*  
1334 GMT 31 Mar 92

[Text] Beijing, March 31 (XINHUA)—China's coastal areas have ascended a new level of opening to the outside world.

They are not only taking an active part in international division of labor and international cooperation but also seeking the efforts of the interior in common development.

China have set up five special economic zones (SEZ), and opened 14 port cities, which have formed a long open belt extending from the northeast to the southernmost island of Hainan.

While continuing their efforts to lure foreign investment and technology, these areas have started seeking international links in commerce, banking, communications, real estate and other areas with a view to attaining a full share of international comparative interests.

North China's coastal city of Tianjin some 100 kilometers to the east of Beijing plans to make itself an export-oriented outward-looking economic center, with a well coordinated development of modern industry, finance and commerce.

The Pudong New Area has set up China's first stock exchange and issued 100 million yuan "B" shares. The development zone has already connected itself with the international financial market as a number of foreign banks, including the Citibank of the United States and the Barclays Bank of the United Kingdom have stepped into the area.

Industries in the coastal areas are being shifted from the original processing, assembling and compensation trade to new and high technology industry as exemplified by the Zhuhai Special Economic Zone which was set up 12 years ago.

"Let everybody come to make money".

This is the new slogan raised by the coastal areas, meaning that foreigners and people in other parts of the country alike are welcome to join in the development efforts.

Guangdong promised to cooperate closely with interior provinces and autonomous regions;

Shanghai welcomes the whole nation in its development efforts;

Tianjin pledged to buy and sell goods from all parts of the country.



All these have got the full approval of the central government. In Yangpu of the Hainan Island, the areas for attracting foreign investment has far exceeded the scope approved by the government to include services in addition to heavy and chemical industries. In Pudong of Shanghai, the first supermarket run by a foreign businessman appeared.

These efforts have also been welcome by foreign businessmen. Statistics show that, within the first two months of this year, foreign investment in Xiamen city of Fujian Province increased by 20 percent over the same period of last year. In Tianjin, foreign investment increased four times as much as in the same period of last year, averaging 100 million U.S. dollars per month.

**Grain Price Increases Given 'Great Importance'**

OW3103132292 Beijing XINHUA Domestic Service  
in Chinese 0733 GMT 31 Mar 92

[Text] Beijing, 31 March (XINHUA)—According to the Grain Management Department of the Ministry of Commerce, after the announcement of the news about the State Council's increase in grain prices on the market,

which is under state monopoly, the grain market is stable and grain supply normal throughout the country. The mood of the masses remains calm.

According to a briefing, governments at all levels have attached great importance to increasing grain prices on the market, which is under state monopoly. They have strengthened leadership; meticulously organized production, allocation, and supply; made well-conceived arrangements; and conscientiously done a good job of making careful preparations. All relevant departments have extended close coordination and full cooperation. The departments in charge of commodity prices at all levels have stepped up inspection of commodity prices as well as market surveys and control. Industrial and commercial departments have strengthened market management. Grain-processing departments have worked at full capacity. Transportation departments have done their utmost to provide transportation for grain day and night to guarantee the end products are delivered to their destinations in time. The departments in charge of grain supply have strictly implemented the policy on supply and made efforts to provide excellent service and facilitate grain purchases by the masses.

### East Region

#### Shandong Plans for Reform of Free Medical Care

SK0104075592 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 31 Mar 92

[Text] Shandong's plan for the management and reform of the provincial-level free medical care will be officially put into effect on 1 April, thus putting an end to the 40-year practice of making the state responsible for all the provincial-level medical care funds.

The major content of the provincial plan for the management and reform of the provincial-level free medical care is as follows. The number of designated hospitals will be reduced, and the practice of receiving medical treatment at designated hospitals should be strictly abided by. The original 16 designated medical units will be reduced to four: the provincial hospital, the hospital affiliated to the Shandong Medical College, the Qianfoshan Hospital, and the hospital affiliated to the provincial college of traditional Chinese medicine. In the management of the funds, units whose funds for free medical care are under unified management can fix a reasonable annual quota of individual expenses according to the actual need and financial capacity. The funds will be managed mainly by the designated hospitals, and the above-quota expenses shall be shared by the state, the hospital, and the units implementing the free medical care program at a rate of 40 percent, 40 percent, and 20 percent, respectively. The hospital can retain the surplus if there is any. The units whose funds for free medical care are not under unified management should continue to hold the responsibility for their own funds after the quota is raised. They can retain the surplus for their own use, but will not be subsidized if the quota is exceeded. The province will establish a free medical care management committee and a complete network of organizations for free medical care management and reform. It will strengthen the management of the designated hospitals and establish free medical care management organizations. Free out-patient services should be given by doctors specializing in relevant fields. Regarding the personnel of the units whose funds for medical care are under unified management, the system of two opinions for serious cases will be enforced. Full-time doctors for free medical care should give treatment according to the illness of patients and conduct examinations and give prescriptions in a reasonable manner. The system of group consultation of doctors and transfer of patients to other doctors or hospitals should be improved. Units implementing free medical care program should establish a free medical care leading group, which should appoint full-time or part-time managerial personnel to coordinate with the designated hospitals to make the management in various fields successful. A free medical care inspection system should be established, and the designated hospitals and units implementing a free medical care program should establish systems for self-inspection, for joint inspection and

mutual inspection, and for rewarding those who do a good job and punishing those who do a poor job.

#### Shandong Family Planning Body Holds Meeting

SK0104074792 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 31 Mar 92

[Text] The provincial family planning association held a meeting at Jinan's Zhenzhuquan Auditorium on the morning of 31 March to mark its 10th founding anniversary. Since it was established on 1 April 1982, the provincial family planning association has witnessed speedy development. With more than 9,100 grass-roots organizations and more than 4.6 million members, the association is now one of the largest mass organizations in the province. In the past 10 years, organizations at all levels of the association have made full use of their advantages, organized members to take the lead in practicing family planning, actively publicized family planning principles and policies to the masses, disseminated scientific and general knowledge concerning population, family planning, healthy birth, sound upbringing and education, took the initiative in conducting ideological work, helped the masses achieve affluence through diligent labor, and developed family planning insurance and social insurance programs, thus effectively facilitating the continuous progress of Shandong's family planning work. In the past 10 years, 19 million fewer babies than expected were born. Last year, Shandong's birth rate was 15.4 per thousand, and natural population growth 8.68 per thousand.

Jiang Chunyun, secretary of the provincial party committee, and Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, sent a congratulatory letter to the meeting. The letter states: Family planning is China's basic national policy. Achieving success in family planning is a glorious and sacred cause because it will benefit the present age and will be a meritorious service in centuries to come. Shandong's sustained, stable, and coordinated economic development since the third plenary session of the 11th party Central Committee should be attributed to the fruitful work of the vast number of family planning workers, who have worked diligently without complaint despite difficult conditions and have made important contributions to the endeavor of making the people affluent and Shandong prosperous.

Gao Changli, deputy secretary of the provincial party committee, attended the meeting to extend congratulations and gave a speech. He pointed out: The province is currently at the peak of the third baby boom. Controlling the population growth remains a very arduous task. If we fail to win a success in this task, not only will the quickened pace in economic development, reform, and opening up be directly affected, but also greater pressure created by the population will be put on the economic and social development of the next century.

Gao Changli urged: Party and government departments at all levels and the great number of party members and



cadres should acquire a new and more profound understanding of the importance of family planning, continuously enhance their sense of urgency, responsibility, and mission, further embrace the guiding thought of paying attention to two fields of production simultaneously and building the two fields of civilization simultaneously, expand measures, and make more efforts to strictly control population growth and greatly improve the population quality. Family planning associations at all levels should further emancipate the mind, have the courage to blaze new trails and experiment, and, with the spirit of reform and openness, continuously explore the law governing family planning work in the new situation so as to make new contributions to attaining Shandong's population growth control target.

Lin Ping, honorary president of the provincial family planning association and vice chairman of the provincial people's congress Standing Committee, and Song Fatang, president of the provincial family planning association and provincial vice governor, were present at the meeting.

### Central-South Region

#### Church Leader Reportedly Harassed in Guangdong

HK0104012492 Hong Kong SOUTH CHINA MORNING POST in English 1 Apr 92 p 12

[Text] Renowned Chinese house church leader, Pastor Lin Xiangao, 67, has been subjected to new harassment from Guangzhou's police and religious-affairs authorities, according to a report by the agency NEWS NETWORK INTERNATIONAL [NNI].

The pastor was ordered to appear before the Public Security Bureau (PSB) in Guangzhou on March 23, where he was interrogated for three hours over his refusal to register his church with the Religious Affairs Bureau.

The following day, authorities ransacked the church.

Pastor Lin was first ordered to report to the Guangzhou PSB headquarters on March 17 for questioning, the NNI report said.

Two days later, officials visited him at his house church. On both occasions, officials warned him that his church had violated the law and would be closed.

The day after the March 23 interrogation, eight PSB officers raided the three-storey house church, reportedly searching for Bibles and religious literature.

Pastor Lin has received numerous warnings over the past year that action would be taken against him and his house church if he did not voluntarily cease holding church services in his home.

In December and January, Pastor Lin said a secret source in the Guangzhou government told him of plans to arrest him for refusing to register his church with the religious bureau.

His Damazhan Fellowship has 1,200 members. Whether it will be allowed to continue functioning is still unknown. Pastor Lin is not under arrest but his home remains under heavy police surveillance.

The Damazhan Fellowship was closed by authorities in February 1990, when some 50 PSB officers stormed his house.

#### Hainan Implements Comprehensive Farm Projects

OW0104084092 Beijing Central People's Radio Network in Mandarin 2230 GMT 31 Mar 92

[From the "News and Press Review" program]

[Text] The State Leading Group for Comprehensive Agricultural Development recently approved the implementation of the Second Hainan Comprehensive Agricultural Development Investment Project for 1992-1994. It also decided to include Hainan's (word indistinct) product processing and other new and high technology projects in the state Torch Plan, with a total investment of over 200 million yuan.

The Second Hainan Comprehensive Agricultural Development Project mainly refers to the development of 18 cities and counties in northern, southwestern, eastern, and central mountainous regions in Hainan. The completion and putting into operation of the six state-level Torch Plan projects is expected to yield annually 767 million yuan in output value, generate over 374 million yuan in profits and taxes, and earn over \$114 million for Hainan. The operation of these high and new technologies will further promote the development of Hainan's new and high technology industry.

### Southwest Region

#### Yang Rudai, Others Meet Sichuan Tibetan Leaders

HK0104033792 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 28 Mar 92

[Text] Yesterday morning, in the provincial party school, Provincial Party Secretary Yang Rudai; Xie Shijie, Standing Committee member of the provincial party committee and vice governor of Sichuan; Tianbao, member of the Central Advisory Commission; and other leading comrades cordially met all the members of a study class for county party secretaries from the areas inhabited by the Tibetan people in the province, and held a forum with them, listening to the report on the studying class and on the work in the Tibetan areas.

Comrade Rudai spoke highly of the achievements made in the province's Tibetan areas over the past few years. He said: The achievements made in our province's

Tibetan areas are very outstanding, but we must soberly realize that there are still destabilizing factors in those areas, and this merits attention and alertness among all of us. In the economy, the Tibetan areas still face many difficulties in economic development, and the origin of instability in the Tibetan areas comes mainly from the destruction caused by a small number of separatist forces, and we must soberly understand this problem and should never lower our guard and become careless in ideology. The key to solving this problem is, first, we must uphold the basic line of one center, two basic points; work hard to develop our economy; improve living conditions among peasants and herdsmen; and upgrade the standing of living among peasants and herdsmen so as to enable the broad masses of peasants and herdsmen to consciously resist, in terms of ideology, the reactionary propaganda launched by the separatist elements.

At the forum, Comrade Shijie and Comrade Tianbao made speeches, respectively, on the concrete difficulties in the work in the areas inhabited by minority nationalities, and on strengthening nationality unity and invigorating nationality spirit.

**Tibet Organizes Study of Deng Xiaoping Speeches**  
*OW0104035892 Lhasa Tibet Television Network*  
*in Mandarin 1230 GMT 31 Mar 92*

[From the "Tibet News" program]

[Text] In order to study and implement well the important speeches by Comrade Deng Xiaoping, the propaganda department of the Tibet Autonomous Regional Party Committee has worked out specific arrangements. It asked all localities and departments to quickly transmit Comrade Deng Xiaoping's speeches to party members, cadres, and the masses. First, cadres at the county level or higher will set aside some time to concentrate on the study. Later, party members, ordinary cadres, and the masses will be organized to study the speeches. Proper arrangements should be made with regard to organizational preparations, personnel, study times, and the contents of study.

In carrying out the study, we must persist in integrating theory with practice, the national conditions, and the regional conditions. We must, through the study, unify our thinking in line with the guidelines of the speeches; broaden our horizons; emancipate our minds; pluck up our spirits; review our successful experience as well as shortcomings in promoting construction, reform, and opening up; enhance our sense of urgency and responsibility; explore ways to accelerate the pace of the region's reform and opening to the outside world; and focus our energies to develop the economy.

In addition to studying on one's own and setting aside study time, localities and departments may organize study classes, short-term classes, or (?medium-sized) study groups. Leading cadres at all levels should study first and acquire a thorough understanding; at the same

time, they must exercise effective leadership over the study, supervise the study in the order of ranks, and see to it the study is carried out efficiently.

**Tibet Agricultural Development Passes Examination**  
*OW0104100292 Beijing XINHUA in English*  
*0806 GMT 01 Apr 92*

[Text] Lhasa, April 1 (XINHUA)—A program to boost farm, animal husbandry and forestry along the three major rivers of the Tibet Autonomous Region in a comprehensive way passed the initial examination and technical appraisal here today.

This is the largest agricultural development project in this highland region, according to local authorities.

The project involves 18 counties in the valleys of the Yarlung Zangbo, Nyangchu River and Lhasa Rivers, which cover a total area of 65,700 sq [square] km and have a combined population of 784,500.

Construction of the project with state investment of one billion yuan is underway.

When the project is completed in ten years' time it will help the region increase its grain output by 75 million kg a year, meat by 16 million kg and butter by 6.42 million kg.

It will also add power-generating capacity totalling 244,000 kw [kilowatts], making the valleys major production bases of commercial grain, vegetables, animal products, handicrafts, light and textile products and scientific experimentation.

The project has received the close attention of the State Council and its departments, which sent experts to inspect the region and consult local people before drawing up the comprehensive agricultural development program.

**Tibet Sets Up Forest Resource Checking System**  
*OW3103235292 Beijing Central Television Program*  
*One Network in Mandarin 1100 GMT 10 Mar 92*

[From the "National News Hookup" program]

[Text] Through efforts by some 180 Chinese experts and technicians over a period of more than five months, the Tibet Autonomous Region has established its first system for continuous investigation of forest resources and determined the quantity, quality, and changes in forestry resources in the region. In the course of investigation, the scientists completed ground surveys of 30 counties in the forestry zones with a total area of 27 million hectares, measured and set up 717 [words indistinct] posts, actually investigated more than 40,000 trees of different specimens, and used remote control devices to carry out [words indistinct] over 110 million hectares



of land. The vast investigation of forests conducted by Chinese scientists is of great importance for developing forestry in Tibet.

**XINHUA Reports on Status of Tibetan Muslims**  
*OW0104025592 Beijing XINHUA in English*  
*0232 GMT 1 Apr 92*

[Text] Lhasa, April 1 (XINHUA)—About some 1,000 meters from Bargar Street in Lhasa, the gathering site of many Buddhist devotees, many Muslims wearing white hats enter and exit a mosque in quite a different religious atmosphere.

There are more than 3,000 people of Hui nationality now living in Tibet. Some 2,000 people with 400 families live in Lhasa, capital of Tibet Autonomous Region.

Now among the Muslims in Lhasa, 14 households run restaurants and more than 100 families set up stalls to sell foods and articles of daily use.

Two mosques were established in Lhasa. The bigger one is located on Bargar Street, the busiest section in Lhasa, which can accommodate 2,000 to 3,000 people.

Muslims began to live in Tibet as early as the 11 century. They came from Shaanxi, Gansu and Ningxia in the inland of China and Kashmir and mainly engaged in business and proselytizing.

Muslims lived alongside Tibetans and the two cultural groups subsequently influenced each other. Some Tibetans adopted Islam and some Muslims gradually adopted Tibetan language, writing, food, clothing, shelter and other customs.

Now 80 percent of Tibet's Muslims are of Tibetan extraction and a few are of Kashmir.

Before the peaceful liberation of Tibet in 1951, the Muslims living in Lhasa mainly engaged in business, running restaurants, milling, vegetable-planting, and butchering animals.

The Muslims in Tibet not only celebrate the Bairam, Corban and other traditional festivals of Muslims, but also have an "Eating With Hands" festival. Every year in August, the Muslims in Lhasa gather in the graveyard in the northern part of the city. After pitching tents and set up ovens, they listen to imams explain scriptures, then enjoy a feast. The commemoration of deceased elders lasts 10 days, during which the Muslims will chant scriptures before the tombs of their relatives.

The Ramadan is also passed differently in Tibet. Here Muslims fast in the daytime in their homes and eat together in mosques after sunset.

Muslims here strive for education regardless of their social standing. They begin by studying the Koran in Arabic and then learn to read it in Urdu and Persian.

Since 1914, traditional education in private schools was discontinued when Muslims were organized to study at three institutional levels—primary, middle school, and college.

The Muslim branch of Tibet No. 1 Primary School was established in a mosque in 1952 after Tibet was peacefully liberated. Instruction in the school covers not only Arabic, Urdu and Persian languages, but also Tibetan, Chinese and mathematics.

According to statistics from the Tibet regional government, Tibet has more than 100 cadres of Hui nationality, 22 college graduates, 16 undergraduates and a dozen cadres have gained senior professional titles.

**Yunnan Secretary on Reform, Developing Economy**  
*HK0104004692 Kunming Yunnan People's Radio*  
*Network in Mandarin 1000 GMT 28 Mar 92*

[Text] Provincial party committee Secretary Pu Chaozhu delivered a speech at a meeting held yesterday afternoon by the provincial party committee and government and attended by leading cadres from various provincial organs, in which he pointed out: Emancipating the mind, transforming work style, accomplishing four major tasks, and improving three links constitute a basic train of thought of the Yunnan Provincial CPC Committee with a view to implementing the central spirit, quickening the pace of reform and opening up, and developing the Yunnan economy in light of the provincial conditions.

Pu Chaozhu noted: The provincial party committee is determined to accomplish four major tasks in order to lay a solid basis for comprehensively developing the Yunnan economy. The four major tasks are as follows:

1. To lay a solid agricultural foundation, unswervingly build 25 million mu of stable- and high-yield farmland, continually develop agriculture by virtue of advanced science and technology, and strive to improve the quality of laborers;
2. To improve large and medium-sized state-run enterprises, concentrate on smashing the three irons, shift the enterprise operative mechanism, and improve enterprise competitiveness by dint of advanced science and technology;
3. To step up infrastructural facilities building; concentrate financial and material resources on building communications, electric power, coal, telecommunications, and other infrastructural facilities; and improve the investment environment;
4. To speed up the building of key export-oriented industrial projects and adopt measures to speed up the building of the phosphate chemical industry, the nonferrous metal industry, the iron and steel industry, and other development industries, the building of various key construction projects, and the building of such superior provincial industries as the laser industry, the power industry, the light vehicle industry, and other types of processing industry.

Pu Chaozhu stated: Blocked circulation channels, insufficient development of county-run industries and township and town enterprises, and the slow pace of opening up to the outside world have remained three weak links in the provincial economic development to date. The key to consolidating the existing achievements and promoting the continued development of the Yunnan economy lies in invigorating circulation and opening up both domestic and overseas markets. To this end, first, we must waste no time in opening up more domestic markets in north China; and second, we must shift our attention to south China and make redoubled efforts to open up more markets in Southeast Asia and South Asia; develop bilateral trade; establish a new wholesale mechanism to this effect; set up commercial firms abroad to handle both wholesale and purchase business; relax policy controls in this regard; allow Yunnan-based domestic commercial establishments to contact overseas businesses; actively develop trade and economic and technological cooperation with Europe, the United States, Japan, and Australia; deepen commercial enterprise reform, and relax four controls; continue to develop and perfect a variety of operational modes with emphasis on strengthening the state ownership system and the cooperative ownership system; and establish a circulation pattern which consists of a variety of circulation channels and stresses three mores and one less [as heard].

Pu Chaozhu maintained: The key to Yunnan's economic development in the forthcoming decade lies in developing county-run industries, improving county-level financial self-sufficiency, developing township and town enterprises, and enhancing collective economic strength. The key to a comprehensive improvement of Yunnan's economy lies in seizing opportunities; opening Yunnan's door wider; expanding opening up to the outside world; making unreserved efforts to develop foreign and border trade as well as enterprises run with foreign capital, Overseas Chinese capital, and with both Chinese and foreign capital; establishing lateral associations with various hinterland provinces and regions; and encouraging businessmen from various hinterland provinces and regions to come and set up factories and shops. Moreover, we must actively build the Kunming Economic and Technological Development Zone, the Kunming High-Grade and Precision Technological Development Zone, as well as four major tourism development zones centering on Kunming.

Concluding his speech, Pu Chaozhu emphatically stated: Emancipating the mind and transforming work style are the prerequisite and guarantee for accomplishing four major tasks and improving three links. To this end, all party members and cadres, especially party committees at and above the county level, must continually seek truth from facts, dare to explore and practise, and formulate a guiding ideology aimed at shifting the work focus from feeding and clothing the majority of the people to leading the people of all nationalities to contemplate, strive for, and realize a comfortably well-off

life. To this end, we must be brave in trying out and implementing new measures conducive to attaining three goals; make full and flexible use of all party and state policies in light of actual provincial conditions; remove irrational barriers to opening up, domestic invigoration, and delegation of powers to lower levels; simplify complex administrative procedures; delegate as much power as possible to the lower levels; overcome formalism; resolutely cut down on documents and meetings; enhance the sense of mission and the sense of urgency; work in a down-to-earth manner; improve work efficiency; and speed up the pace of Yunnan's reform and opening up.

### North Region

**Xing Chongzhi Reports on Southern Inspection Tour**  
*SK3103114392 Shijiazhuang HEBEI RIBAO*  
*in Chinese 2 Feb 92 pp 1,2*

[Text] This morning, the provincial party committee held an enlarged Standing Committee meeting during which Xing Chongzhi, secretary of the provincial party committee, gave a report to leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference, and responsible comrades of the provincial-level departments in charge of comprehensive work and of Shijiazhuang Prefecture and city on his experience in his inspection and study tour to Fujian, Guangdong, and Hainan Provinces.

On 6-21 January, a group of seven people including Xing Chongzhi heard briefings on the situations of Fujian, Guangdong, and Hainan Provinces and conducted inspections and study in 12 cities and counties including Fuzhou, Fuqing, Quanzhou, Shishi, Xiamen, Guangzhou, Shenzhen, Zhuhai, Zhongshan, Shunde, Haikou, and Sanya and the eight economic development zones; in investment zones they initiated; and in the 20-odd townships, towns, villages and enterprises under their jurisdiction. Their most striking experience is that the party and government leaders at all levels of these three provinces have firmly grasped the central task of economic construction and concentrated their energy on it under the guidance of the party's basic line; the upper and the lower levels have a strong consciousness of competing with each other to do first-grade work and have many methods; they have improved their work, exerted greater energy to reforms and opening up, and succeeded in expanding the momentum to effectively promote economic development.

After introducing the economic development experience of the three provinces, Xing Chongzhi said: Judging the general economic development and the reforms and opening up situations of the three provinces, particularly



Guangdong and Fujian, I found the following characteristics and trends in them: First, their national economy has already basically entered the orbit of a well-rounded cycle and is being rapidly developed with good quality and at a high level. Second, they have formed a pattern of opening their provinces in all directions and unceasingly expanded the scale of their opening, and their import of foreign capital has entered a ripe period. An all-around and multilayered opening-up pattern and climate formed by the economic special zones, economic and technological development zones, coastal open cities and counties, and a batch of industrial satellite towns have already taken shape. Third, they have gradually implemented various reform measures in places where needed and successively carried out new and bolder reform experiments, and their reform dynamics are expanding day after day and the atmosphere of relying on the in-depth reforms to promote economic development is getting thick.

Xing Chongzhi said: The three provinces have many reform experiences with a rich substance. Based on our actual experiences in our inspection and study tour, we can summarize them in eight aspects: 1) They have repeatedly grasped the emancipation of minds and used the endless emancipation of minds to promote the unceasing development of reforms and opening to the outside world. They have always considered ideas that are favorable for the development of productive forces as the fundamental basis of emancipating minds. They have persisted in things that are advantageous to making the country rich and the people prosperous and to developing the productive forces and that are helpful to building socialism with Chinese characteristics, and they have improved and reformed all those that are otherwise. They have always considered seeking truth from facts and proceeding from reality as the guiding principle for emancipating minds. They have always considered whether they can work boldly, learn, blaze new trails, and compete with other provinces in the course of their work as one of the important criteria of emancipating minds. 2) They have fully displayed their subjective initiative, tapped their hidden advantages, and actively created new advantages. 3) In accordance with their needs and possibilities, they have collected funds through various channels, conducted explorations actively, and gradually formed a multilayered and multichanneled fund collection mechanism formed by state investment, funds collected from social sectors, bank loans, and import of foreign capital. 4) They have made efforts to study, grasp, occupy, and develop the markets. 5) They have developed the commodity economy, paid attention to high technology and high starting points, and strived to be better than other provinces. 6) They have tried by all possible means to improve the investment environment and provided conveniences for attracting investment. 7) They have adhered to the principle of grasping the work with both hands, and actively strengthened the building of socialist spiritual civilization. 8) They have included all fields of work in the central task of economic construction.

Xing Chongzhi said: Judging from the situation in our inspection and study tour of Fujian, Guangdong, and Hainan Provinces, these coastal provinces have a great momentum for opening to the outside world, and their strides are quick and the development trends are vigorous, giving the people a great feeling. As a coastal province like these three, our province has lagged far behind them, although it has made great achievements in opening to the outside world over the past few years. To realize the second-step strategic objective of achieving another 100 percent increase in the GNP and to lay a solid foundation for realizing the third strategic objective during the 1990's, we have only one way out: Under the premise of adhering to the four cardinal principles, we should unceasingly deepen reforms and open wider to the outside world. Judging from the current situation, it is very urgent for us to draw on the experience of provinces like Fujian and Guangdong with the spirit of "further emancipating minds, being bolder, and making quicker strides"; adopt more effective plans and measures; and push our province's opening to the outside world to a new stage.

The meeting proposed: After the Spring Festival, leading comrades of the provincial party committee and the provincial government should personally grasp this work, and the relevant provincial departments should participate in it. They should organize competent personnel and ask relevant prefectures, cities, and counties to maintain coordination and to concentrate one month or so on conducting systematic and in-depth investigation of the province's recent situation, particularly the situation since the provincial work conference on opening to the outside world held in November 1990. The priorities of the investigation are: To see if cadres at all levels, particularly leading cadres, have enhanced their ideology and understanding of reform and opening up and in which aspects they should continue to emancipate minds; to see if the state and our province's policies have been implemented where needed, which kinds of policies we should formulate and which measures we should adopt; to see if the upper and lower levels and all sectors have realistically formed a joint force to promote opening up and develop the economy and what kind of factors and problems that are uncoordinated and impeded and that resist and counteract each other have existed; and to see what new plans, moves, views, and suggestions some localities have in opening to the outside world. Through investigations, we should have a clear picture of the whole province's present situation in opening to the outside world, find out the experience and lessons which we should draw, and put forward views and measures for further promoting opening up. On the basis of conducting investigation and study and making full preparations, we should strive to hold a provincial work conference on opening to the outside world again at an appropriate time during the first half of this year.

The meeting demanded: While studying the experiences of other provinces, all prefectures and cities and all

departments should think conscientiously in line with their reality, sum up their work through the study of experiences of other localities, find out where they are lagging behind, clearly define their objectives, be bolder in advancing reforms and the open policy, and promote a sustained, steady and coordinated economic development in our province.

After returning from the southern part of the country, Xing Chongzhi took advantage of all opportunities to introduce and popularize the advanced experiences of the southern provinces in line with the reality of our province. He recently went to Xinxing village in Lixian County, Hebei University, Hebei Agricultural University, Beiguo Middle School in Anping County, Shijiazhuang Prefectural Veterinary Pharmaceutical Plant, the tax subbureau in Qiaoxi District, Shijiazhuang city, and other units to hold cordial talks with the masses of cadres on his experience during the tour of the southern provinces.

#### Inner Mongolia Announces Personnel Changes

SK2803030592 Hohhot NEIMENGGU RIBAO  
in Chinese 21 Jan 92 p 2

[Personnel appointments and removals made by the Inner Mongolia Autonomous Regional People's Government—date not given]

#### [Text] Appointments:

Ruan Jinghai [7086 2529 3189] as director of the Inner Mongolia Autonomous Regional Technological Supervision Bureau;  
Hu Shujie [5170 2579 2212] as deputy director of the Inner Mongolia Autonomous Regional Technological Supervision Bureau;  
Liu Yongan [0491 3057 1344] as vice chairman of the Inner Mongolia Autonomous Regional Economic Commission;  
Li Kemin [2621 0344 2404] as vice chairman of the Inner Mongolia Autonomous Regional Family Planning Commission;  
Zhang Chu [1728 2806] as deputy director of the Inner Mongolia Autonomous Regional Commerce Department;  
Tang Licheng [0781 0500 6134] as deputy director of the Inner Mongolia Autonomous Regional Petrochemical Industry Department;  
Zhou Zuodong [0719 0155 2639] as deputy director of the Inner Mongolia Autonomous Regional Judicial Department;  
Wang Haiwen [3769 3189 2429] as deputy director of the Inner Mongolia Autonomous Regional Foreign Economic Relations and Trade Department;  
Li Bin [2621 2430 ], Yang Jing [2799 2533], and Sun Quanzhong [1327 0356 1813] as deputy directors of the Inner Mongolia Autonomous Regional Statistical Bureau;  
Zhang Zhiwu [1728 3112 0523] as vice president of the Neimenggu Engineering Institute;

Liu Keli [0491 0344 4409] as vice president of the Neimenggu Agricultural and Animal Husbandry Institute;  
Wang Yushan [3769 3768 1472] as head of the Hulun Buir League Administrative Office;  
Dao Erji [6670 1422 1015] and Da Lai [6671 0171] as deputy heads of the Alxa League Administrative Office.

#### Removals:

Duan Yong [3008 0516] from the post of director of the Inner Mongolia Autonomous Regional Technological Supervision Bureau;  
Ruan Jinghai from the post of vice chairman of the Inner Mongolia Autonomous Regional Economic Commission;  
Chao Ke [2600 0344] from the post of vice chairman of the Inner Mongolia Autonomous Regional Family Planning Commission;  
Tu Bu [0956 1580] from the post of deputy director of the Inner Mongolia Autonomous Regional Commerce Department;  
Song Huanwu [1345 3562 2976] from the post of deputy director of the Inner Mongolia Autonomous Regional Foreign Economic and Trade Department;  
Menggendalai [1322 2704 6671 0171] from the post of deputy director of the Inner Mongolia Autonomous Regional Communications Department;  
Liu Deshang [0491 1795 1424] from the post of deputy director of the Foreign Economic and Technological Cooperation Office of the Inner Mongolia Autonomous People's Government;  
Zhang Liang [1728 0081] from the post of deputy director of the Inner Mongolia Autonomous Regional Finance Department;  
Wen Jian [2429 0256] from the post of vice president of the Neimenggu Engineering Institute;  
Zhang Shuchun [1728 2885 2504] from the post of vice president of the Neimenggu Agricultural and Animal Husbandry Institute;  
Xu Wenlin [1776 2429 2651] from the post of deputy director of the Inner Mongolia Autonomous Regional Education Department;  
Wu Liji [3527 0500 0679] from the post of head of the Hulun Buir League Administrative Office;  
Qian Li [6929 4409] from the post as deputy head of the Hinggan League Administrative Office;  
Su Muya [5685 2606 7161] from the post as deputy head of the Alxa League Administrative Office.

#### Northeast Region

#### Jilin Holds Provincial Party Plenary Session

SK2803090092 Changchun Jilin People's Radio  
Network in Mandarin 2200 GMT 27 Mar 92

[Text] The ninth plenary session of the fifth Jilin Provincial CPC Committee was held in Changchun on 25-27 March to discuss and decide on the preliminary namelist of candidates of provincial delegates to the 14th national party congress, to deeply study Comrade's Deng



Xiaoping's important speech and the guidelines of the plenary session of the Political Bureau, to discuss and study how to grasp the historical opportunity in line with the provincial reality and how to mobilize and lead the broad masses of party members and the people across the province to further emancipate minds and to accelerate the pace of reforms, opening to the outside world, and economic development.

He Zhukang, secretary of the provincial party committee, presided over the meeting and gave an important speech.

The participating comrades conscientiously discussed Comrade He Zhukang's speech and they all maintained that this speech has manifested Comrade Deng Xiaoping's important speech and the guidelines of the Political Bureau plenary session and is absolutely in conformity with our province's reality and that efforts should be made to conscientiously implement it in work.

Gao Yan, deputy secretary of the provincial party committee and governor gave a summing-up speech.

Participants at the plenary session held: Emancipating minds is a pressing task at the moment. During the critical period of our country's socialist modernization drive, Comrade Deng Xiaoping, with the courage, resourcefulness, foresight, and sagacity of a proletarian revolutionary, has given a very important speech on building socialism with Chinese characteristics, particularly on accelerating reforms, opening up to the outside world, and economic development. This speech has not only played an important guiding role in the current reforms and construction and in making the 14th party congress a success, but also has a major and profound significance in the whole socialist modernization construction cause. Inspired by the guidelines of this speech, a new tide of emancipating minds, reforms, and opening up is being whipped up vigorously and a new upsurge will emerge in our country's socialist modernization construction. We must not let slip an opportunity because it will not wait for us. We must grasp this historical opportunity and advance, push our province's reforms and opening up to a new level, and make economic development enter a new stage. To continuously push economic construction and opening-up forward, the most pressing task at the moment is to emancipate minds. Emancipating minds means that we must have the courage to seek truth from facts, persist in proceeding from reality while doing everything, and work creatively. This is the basic intention and the important precondition for making our work a success. To emancipate minds, we must have courage to make breakthroughs, be bold in creating new ideas, cultivate an ideology of doing things that other people have not done before, and foster a confidence and courage of being the first in doing everything, advocate the practice of daring to blaze new trails and to manage things and experiment boldly. Emancipating minds also implies that we must free ourselves from the traditional ideological patterns, and have dialectical thinking. It also

implies that we must have courage to deal with contradictions and solve practical problems, especially some sensitive and hot problems; have courage to trust and rely on the masses, to work and to delegate powers to the lower levels boldly; support the pioneering spirit of the masses; and mobilize their enthusiasm. We should carry out and support boldly all things that are advantageous to the development of the productive forces of a socialist society. Leaders at all levels should take the lead in emancipating minds, maintain close connection with the reality with a positive attitude, conscientiously sum up experience and lessons, promote the practice of conscientiously finding one's own disparity, and guard against endless disputes over the issue of who is right and who is wrong, and stop complaining passively. Through study and discussions, we must attain the aim of enhancing understanding, unifying thinking, strengthening unity, raising spirits, and creating a new situation.

The plenary session proposed: We should develop our province's economy at a quicker rate and strive to enter a new stage every few years. In the near future, we should conscientiously grasp well the implementation of the Eighth Five-Year Plan which was approved by the recently-held fifth session of the seventh provincial People's Congress, and the guidelines of the eighth plenary session of the fifth provincial Party Committee, and strive to push all fields of work forward and to surpass the demands defined in the plans.

The plenary session stressed: The key to accelerating economic development is to actively promote reforms and extend reforms in all directions. In addition to making the economic front strengthen the momentum of reform, all other fronts should also do a good job in reforms in line with the central demands, expand the dynamics of reform through solid work, and strive to achieve breakthroughs in the progress as quickly as possible. It is necessary to deepen enterprise reforms, give priority to changing and improving the operational mechanism of enterprises, and push enterprises to the markets in line with the planned objectives. Meanwhile, we should accelerate reforms in the planning, banking, pricing, circulation, labor insurance, medical, and housing aspects; speed up the changing of government functions; and enable the internal circulation mechanism and the external environment to advance in a coordinated manner. We should change government functions and streamline organs. In the rural areas, we should persist in improving the responsibility system focusing on family-based output-related contracts, and the dual management system whereby unified management is combined with separate management, and actively develop the agricultural socialized service system in an effort to promote the development of the rural commodity economy. It is necessary to vitalize the use of funds and try out and popularize the shareholding system. The urban and rural enterprises may popularize the shareholding system on a large scale. Enterprise groups may try out the system of allowing legal entities to hold shares, and state enterprises may try out the system

of allowing workers to hold shares. We should vitalize the use of trained personnel. On the one hand, we should allow the rational flow of trained personnel and induce trained personnel in and outside the province to places and enterprises that lack trained personnel so that their ability can be used in full. On the other hand, we should mobilize the enthusiasm of trained personnel so that they will fully display their ability, persist in simultaneously opening the province to all directions and making breakthroughs in some major aspects, stress the principle of giving simultaneous attention to foreign trade and economic relations, spot exchange, and barter trade, and enable foreign export trade, import of foreign capital, export of labor service, tourism, and foreign-exchange earning to witness a fairly great progress. It is necessary to boldly use foreign capital to develop the joint, cooperative and foreign-funded enterprises, and enable them to increase by one or several times during the Eighth Five-Year Plan period.

The plenary session demanded: We must persist in grasping some aspects with both hands, comprehensively implement the party's basic line which stresses one central task and two basic points, and persist in grasping the policies on reform and opening up on the one hand while grasping the legal system and dealing blows to various economic crimes on the other hand so that both hands are entrusted with rigid tasks. At present, we should persist in the propaganda method that stresses unity, stability, and boosting of enthusiasm; strengthen propaganda and education with positive examples; further strengthen party building and the building of clean politics; resolutely deal blows to corruption and bribe-taking; and check unhealthy trends in various trades. We should also strengthen the comprehensive improvement of public security, eliminate all poisonous things in society; publicize the role of discipline inspection, supervision, and public security departments in safeguarding reforms and opening up; and create a social and media environment favorable for the sound development of reforms, opening up, and economic construction.

The plenary session emphatically pointed out: Whether we can push our work forward depends on whether we have implemented it conscientiously. Leaders at all levels should have a good work method, and in line with the principle of centralized leadership and division of labor with individual responsibility, divide the tasks and share them to the individuals. We should resist formalism and bureaucracy and enable leaders at all levels to have more time and energy to go deeply to the grass roots and enterprises.

The plenary session called on party-member cadres across the province to mobilize and rely on the masses of people, rally closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, conscientiously study and implement Comrade Deng Xiaoping's important speech and the guidelines of the plenary session of the Political Bureau of the CPC Central Committee, implement all tasks raised at this plenary

session in a down-to-earth manner, and push our province's reforms, opening up, and economic construction to a new development stage.

Relevant provincial leaders and responsible comrades of the city, prefectural, and autonomous prefectural party committees and of some provincial-level departments and bureaus attended the plenary session as observers.

#### Wang Zhongyu, Others Attend Economic Conference

SK2803065092 Changchun JILIN RIBAO in Chinese  
25 Jan 92 p 1

[Text] The provincial economic restructuring work conference concluded on 24 January. The general guiding ideology of the provincial economic restructuring work will strike root in the hearts of the people and become the concrete deeds of the cadres and the people. We should persist in the socialist orientation of reform and opening up; specifically explore effective ways and forms to organically link the planned economy with market regulation; persistently further emancipate the minds; sum up the basic experiences in reform gained over the past 13 years; study the new situation; define new concepts and methods of reform; persistently handle the relations of reform, stability, and development; give full consideration to the situation of the province as well as the reform-bearing capabilities of various fronts; appropriately widen the pace of reform; persistently take the enlivening of large and medium-sized enterprises as a key point; comprehensively strengthen the necessary supporting reform measures; maintain the continuity and stability of various major reform measures; persist in the principle of "everything undergoing an experimental process;" and positively and steadily conduct reform in groups.

The conference opened in Changchun on 21 January. The major tasks of the conference were to deeply implement the guidelines of the work conference of the provincial party committee, the eighth plenary session of the fifth provincial party committee, and the national economic restructuring work conference sponsored by the State Council recently; to focus on promoting the readjustment of the economic structure, increasing the economic results, improving state-owned large and medium-sized enterprises, transforming the enterprise managerial structure, and pushing enterprises to markets; to further explore several major questions relating to the deepening of reform; to also sum up the province's 1991 economic restructuring work; to exchange reform experiences; to discuss and revise the documents relating to economic reform; and to arrange the 1992 reform work tasks.

Comrade Wang Zhongyu made a speech at the conference. Comrade Gu Changchun attended the conference. Comrade Wang Yunkun made a report. Comrade Sang Fengwen chaired the closing ceremony.



Hong Hu, chief of the investigation group dispatched by the State Council to Jilin and deputy director of the state economic restructuring committee, made a speech at the conference.

Comrade Li Shu relayed the guidelines of the national economic restructuring work conference.

The conference maintained: In 1991, party committees and governments at various levels conscientiously implemented a series of policies on deepening reform made by the party Central Committee and the State Council, strengthened the awareness of reform, added reform measures, did a lot of solid work, and accumulated many valuable experiences. The vast number of staff and workers tend to be engaged in the four modernizations and positively engage themselves in the reform cause. The pace of reform is being accelerated. A situation where all localities and departments are making concerted efforts to grasp reform is taking shape. Thus, this vigorously promotes the progress of the work in all spheres.

The conference defined that the 1992 reform work priorities of the province are as follows: We should take the transformation of the enterprise managerial mechanism as a target; push enterprises to markets in a step-by-step manner; continue to promote the readjustment of the industrial structure and the enterprise organizational structure; vigorously develop enterprise associations; speed up the setup of the market system; fully display the state and collective commercial enterprises and the state-owned supply enterprises' role as the major circulation channel; continue to deepen the reform of the grain managerial system; further change the functions of the governments; and positively promote the macroeconomic control as well as the reform of the pricing, distribution, housing, and social insurance systems. We should exert great efforts to comprehensively conduct reform among counties, towns, and the suburbs; continue to deepen the rural reform; and explore new ways of developing the rural commodity economy.

The conference stressed: In regard to the 1992 reform work, we should pay particular attention to clearly understanding the new situation and special new characteristics of reform, define new concepts of reform, and put the focal point of reform on transforming systems and mechanisms. We should break the bounds of the previous method of simply delegating rights and conceding benefits to enterprises, strengthen the encouragement and restriction mechanisms with the focus on letting enterprises assume sole responsibility for profits or losses, and gradually push enterprises to markets. We should promote the transformation of the enterprise mechanism through the reform of the system of enterprises being managed by the state. We should simultaneously conduct the urban and rural reforms and be sure to successfully reform the necessary supporting systems in line with the change of the enterprise mechanisms.

The conference also stressed: We must focus our efforts on deepening reform and exert efforts to change the enterprise managerial mechanism. First, we should set up the system through which cadres can be promoted or demoted, the employment system through which the staff and workers can be employed or dismissed, and a distribution system through which wages can be readjusted. Second, enterprises should set up a self-development mechanism and a mechanism of assuming sole responsibility for profits or deficits. With these mechanisms, enterprises will be encouraged, restricted, and developed and will greatly increase their efficiency. Meanwhile, we should realistically implement the principle of "everything undergoing an experimental process" in the course of reform so as to increase the successful rate of reform. We should accurately handle the relations of reform, development, and stability; steadily promote reform; and realistically strengthen the leadership over reform.

Present at the conference were responsible persons of various cities and prefectures, the Yanbian Korean Autonomous Prefecture, the provincial economic restructuring committee, the provincial propaganda department, the provincial trade union council, the counties that conduct overall reform on a trial basis, the district economic restructuring committees, some departments concerned under the provincial government, and some large and medium-sized enterprises.

#### **Quan Shuren Inspects Jinzhou City, Economic Zone**

SK3103122192 Shenyang Liaoning People's Radio  
Network in Mandarin 1030 GMT 29 Mar 92

[Text] Quan Shuren, secretary of the provincial party committee; Shang Wen, deputy secretary of the provincial party committee; Wen Shizhen and Zhang Rong-mao, vice governors of the province; and responsible personnel from the relevant departments, commissions, offices, and bureaus, as well as banking departments on 28 March carried out investigation and study, conducted on-the-spot official work in Jinzhou city, and formulated immediate and long-term targets for the city to open itself to the outside world.

During their stay in the city, leading comrades from the provincial level organs looked at Jinzhou harbor, the Jinzhou economic and technical development zone, and the Jinzhou ferro-alloy plant; heard the briefings given by the Jinzhou city party committee and People's Government and by enterprises including the Jinzhou oil refinery; and held special discussions with the city's departments concerned on deepening the reform drive and enlarging the opening up work.

During the discussion, leading comrades from the provincial level organs informed the city that the provincial party committee and the provincial People's Government had contended that Jinzhou had paved a new road in accumulating funds for self-development and achieving a snowballing development in accelerating the

opening up work and economic development over the past few years. In particular, achievements scored by the city by earnestly studying the series of important speeches given by Comrade Deng Xiaoping with regard to building socialism with Chinese characteristics and by proceeding from its local reality in broadening its ideas, boldly engaging in experiment and pathbreaking, conducting reforms, and in opening to the outside world, have made the people throughout the province find everything it has done fresh and new and feel inspired. They pointed out that judging from history and reality, Jinzhou had become a center of the five cities of western Liaoning, including Panjin, in the fields of politics, the economy, commerce and trade, finance, communications and transportation, and telecommunications. The city will play an important role in the province's new pattern of economic and social development.

At present, the city should uphold the guideline of depending on its harbor to make itself prosperous and emphatically do a good job in building and managing the Jinzhou harbor. A faster or slower pace in building Jinzhou harbor, a higher or lower extent in fulfilling the targets of construction, and good or poor service given by Jinzhou harbor will have a direct bearing on the extent, image, and level of opening up work undertaken by Jinzhou city and the areas of western Liaoning. Therefore, we must concentrate our manpower and financial and material resources on accelerating the construction of Jinzhou harbor and place the task of continuously broadening the opening up work in the harbor on the overriding schedule so as to enable the harbor to be a showcase in opening western Liaoning to the outside world.

Efforts should be made to have the two berths handling sundry goods in Jinzhou harbor reach their operational target as soon as possible and tap their potential. We should do a good job in mechanizing the oil berth for importing crude oil and exporting refined oil. The four berths covered by the second-phase project should be built and put into operation simultaneously. The Jinzhou economic and technical development zone should be built into a high- new-technology intensive industrial district with the major tasks of intensive processing, drawing outside funds, and earning foreign exchanges through exports. We should have the zone pioneer the opening up work independently, accumulate funds for self- development, and give development a snowball effect; and build enterprises that can score economic results immediately.

During the discussion, leading comrades from the provincial level organs also pointed out that Jinzhou is connected with Hebei Province in the south and with the Inner Mongolia Autonomous Region in the east and also is a bridge between various provinces inside the Shanhaiguan and the three provinces of northeast China. We should fully make use of the city's geographical strong points to develop large markets and large-scale commerce and commodity circulation, do a good job in developing tertiary industry, and build the city into a

commerce and trade center. Thus, it will be able to make still greater contributions to opening the province and the areas of western Liaoning to the outside world and to developing the economy in the province.

## Northwest Region

### Northwest Region Acts To Boost Foreign Trade

OW2803074192 Beijing XINHUA in English  
0654 GMT 28 Mar 92

[Text] Yinchuan, March 28 (XINHUA)—Northwest China is seeking the good opportunity of China's reform and open policy to expand foreign trade so as to boost local economy.

Having five provinces and regions of Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang, northwest China covers 32.3 percent of the country's total territory abounding in energy, mineral, land and animal resources.

It is not only one of the earliest regions in China to make trade and cultural contacts with foreign countries through the "Silk Road," but also an area that has closed itself from the outside world for a long period of time.

Until a decade ago, the annual volume of imports and exports of these provinces and regions accounted for only 1.2 percent of the country's total.

To change the plight, northwest China has done away with self-confinement by making cooperation with coastal areas where the economy develops more rapidly and importing advanced technology and equipment as well as management methods to promote its economy and foreign trade since 1980.

At present, these provinces and regions have established business relations with more than 70 countries and regions and exported more than 1,000 varieties of goods a year, up from dozens ten years ago.

They have built over 500 foreign-funded projects involving a sum of 3.2 billion U.S. dollars.

Last year saw them obtain 1.37 billion U.S. dollars from exports.

The opening of the second Eurasian continental bridge has helped northwest China's provinces and regions to revitalize their foreign trade.

They plan to expand to Southeast Asian markets with a focus on Japan, and continuously open to western European markets while boosting border trade with neighboring countries.

### Gansu Party Secretary Inspects Agate Mine

HK2503122692 Lanzhou Gansu People's Radio  
Network in Mandarin 2300 GMT 23 Mar 92

[Text] Provincial party Secretary Gu Jinchi said during an inspection trip to Yongchang County's agate mine



that it is necessary to explore and utilize the strong point in resources, and transform resources into funds to expedite economic construction. Yongchang County's agate mine is the first agate mine discovered in our province. In the afternoon of 21 March, Comrade Gu Jinchi arrived at the mine for an on-the-spot inspection. He said to county leaders: Yongchang has a good start in developing mineral resources, construction of hydraulic power stations, and invigoration of enterprises. It is possible to solve the financial difficulty; resources are money, and we must fully utilize every strong point, broaden perspective, expedite reform, and boost economic construction.

#### **Yin Kesheng Addresses Provincial CPC Meeting**

*HK2703061892 Xining Qinghai People's Radio  
Network in Mandarin 2300 GMT 25 Mar 92*

[Text] The Ninth Plenary Session of the Seventh Qinghai Provincial CPC Committee was convened in Xining 23-25 March.

Provincial party committee Secretary Yin Kesheng and Tian Chengping, provincial party committee deputy secretary, presided over the plenary session.

The plenary session further and conscientiously studied Comrade Deng Xiaoping's proposition on building socialism with salient Chinese characteristics, conscientiously discussed and approved the namelist of Qinghai deputies to the upcoming 14th CPC National Congress, and adopted a resolution on convening the Eighth Qinghai Provincial CPC Congress.

The plenary session called on party organizations and Communist Party members at all levels across the province to rally more closely around the CPC Central Committee with Comrade Jiang Zemin as the core; unswervingly implement and carry out the party's basic line of one center, two basic points; resolutely take the road of building socialism with salient Chinese characteristics; lead the people of all nationalities across the province to further emancipate the mind, brace up and grasp the current excellent opportunity to speed up the pace of reform and opening up, unite as one, push ahead with Qinghai's economic development; and take real action to greet the forthcoming convocation of the 14th CPC National Congress.

Comrade Yin Kesheng delivered an important speech at the closing session.

Sang Jiejia, Tang Zhenren, Doba, Ji Zhanbin, as well as all provincial party committee members and alternate members attended the plenary session.

Provincial advisory committee members, provincial discipline inspection commission members, and comrades in charge of various departments concerned, enterprises, and undertakings also attended the plenary session as nonvoting delegates.

In his speech delivered at the plenary session, provincial party committee Secretary Yin Kesheng pointed out: We must acquire an in-depth understanding of Comrade Deng Xiaoping's theory of building socialism with salient Chinese characteristics, speed up the pace of implementing the provincial economic development strategy, and strive to open up new vistas for reform, opening up, and economic construction.

Yin Kesheng stated: In studying Comrade Deng Xiaoping's theory, we must unify ideology and heighten understanding. At present, we must focus on further strengthening confidence and determination in carrying out reform and opening up and in rejuvenating Qinghai. To this end, we must overcome pessimism, heighten morale, eliminate the influence of the left ideology, emancipate the mind, update concepts, conscientiously sum up experiences and lessons, vigorously carry out work, and cultivate a sense of urgency.

Yin Kesheng called on leaders at all levels, propaganda and public opinion departments, and ideological education departments to further step up propaganda and education, whip up a strong public opinion conducive to in-depth reform and expanded opening up, and successfully further ideological and political work.

Speaking of the current provincial economic situation, Yin Kesheng noted: It is necessary to expedite provincial economic development in light of actual local conditions, grasp major contradictions, make breakthroughs in selected areas, and unswervingly implement and carry out the economic development strategy advanced by the provincial party committee of deepening reform, expanding opening up, eradicating poverty, achieving prosperity, exploiting local resources, and rejuvenating Qinghai. It is also necessary to organically combine provincial economic development with accelerated reform and opening up.

Yin Kesheng maintained: In exploiting local resources, we must adhere to the principle of simultaneously grasping two aspects. The areas with appropriate conditions and capability should actively take the initiative to speed up resource exploitation through various forms. [passage indistinct]

Yin Kesheng pointed out: While accelerating economic development, we must combine resource exploitation with enterprise structural readjustment and product mix readjustment, make unreserved efforts to tap latent potentialities of enterprises, and increase enterprise economic efficiency. In invigorating the state-owned enterprises, particularly large and medium-sized enterprises, efforts must be focused on shifting the enterprise operative mechanism, transferring enterprise property rights, declaring enterprises bankrupt, amalgamating enterprises, implementing diverse systems in one enterprise, implementing the joint-stock system in enterprises, and relaxing four types of control over state-run commercial enterprises. We must become more determined than ever in orienting enterprise production to market

demand, encouraging scientific research institutions as well as higher learning institutions to contract scientific research projects aimed at upgrading enterprise technology. In the meantime, we must speed up circulation structural reform, step up market building, and create favorable conditions for enterprises to participate in market competition. We should first build certain types of markets, such as a funds market, a labor service market, a technology market, a production means market, and a real estate market, in the Xining and Haidong areas, and gradually establish and develop a bond exchange and other negotiable securities markets, while giving rein to nonpublic sectors.

Yin Kesheng pointed out: Government departments at all levels must earnestly transform economic management functions and methods, delegate powers to lower levels, streamline administration, and relax policy control. [passage indistinct]

Speaking of further expanding opening up to the outside world, Yin Kesheng stated: We must strive to form a new pattern throughout the province which is characterized by accelerated development, expanded foreign economic relations and trade, and omnidirectional opening up. We should encourage various specialized companies and enterprises to set up commercial networks and liaison offices in other provinces and regions as well as in foreign countries and regions; actively open up overseas markets; participate in border trade in western areas; further expand economic relations and trade with members of the CIS and with East European countries; strive to build several export-oriented and high-tech enterprises run with foreign capital, Overseas Chinese capital, and both Chinese and foreign capital during the Eighth Five-Year Plan; and encourage enterprises of other provinces and regions to come and set up factories and shops in Qinghai so as to further push ahead with bilateral and multilateral industrial and trade cooperation.

Comrade Yin Kesheng concluded his speech by calling on leading organs and leading cadres at all levels to speak fewer empty words, do more realistic things, transform work styles, and strengthen implementation work. Yin Kesheng also called on cadres at all levels across the province to become more pragmatic and work harder to strive to raise Qinghai's reform and construction to a higher level.

#### **Xinjiang Secretary Says Situation 'Excellent'**

HK0104115292 Hong Kong MING PAO in Chinese  
29 Mar 92 p 24

["Special dispatch" from Beijing by staff reporter: "Song Hanliang Says Xinjiang Enjoys Excellent Situation, Has No Fear of Split so Long as Economy Develops"]

[Text] Song Hanliang, secretary of the Xinjiang Uygur Autonomous Regional CPC Committee, denied yesterday that national separatist activities are going on in Xinjiang's border areas. Describing the current Xinjiang

"situation as excellent," he held that so long as Xinjiang's economic construction is genuinely boosted, the "voice" of the Western forces of infiltration and national separatists will be stifled.

Song was interviewed by reporters here yesterday. Asked about the recent national separatist activities in Xinjiang in the wake of the Soviet disintegration, he said: Although there is one force abroad adopting unfriendly acts and uttering unfriendly remarks toward China's Xinjiang, this does not affect the situation as a whole; this state of affairs may emerge at any time [as published], but Xinjiang will not split with China.

He said: There are various voices in any society. The dissenting voices are insignificant and, with the development of economic construction, will disappear spontaneously.

He stressed: The current situation in Xinjiang Region is excellent. The nationalities are united, the economy is developing, the living standard of the people is improving. The people of Xinjiang do not want to lose the achievements they have attained through decades of development.

Touching on relations with neighboring former Soviet federated republics, Song said: Xinjiang's border trade has now expanded to one between governments, autonomous prefectures, and enterprises with diversified, multilevel, and multiform trade channels. He also disclosed: The Xinjiang Autonomous Regional Government recently planned to designate a place bordering on the CIS as a free trade zone for peoples in the border areas of the two countries and to set up a series of border shops to sell Xinjiang products wholesale and extend sales networks to all mines and enterprises in the border area.

#### **'Green Shelterbelts' Transform Xinjiang Desert**

OW3003033292 Beijing XINHUA in English  
0158 GMT 30 Mar 92

[Text] Urumqi, March 30 (XINHUA)—The Hotan District in northwestern China's Xinjiang Uygur Autonomous Region has greened hundreds of km of the Taklimakan Desert in the past decade.

Belts of trees, bushes and grasslands have arrested shifting sands in the Taklimakan, the world's second-largest shifting desert and the largest in China.

Statistics show that in the past 10 years the district has planted more than 757,000 ha of trees, mainly poplars, bringing the afforested area to five times its size 10 years ago.

Hotan District, composed of seven counties and a total area of 247,800 sq [square] km, covers part of the Taklimakan Desert in the southwest of Xinjiang. It used to be one of China's most severely desertified areas.



About 42 percent of the district is desert. The annual rainfall only reaches 35 mm, while annual evaporation is over 2,450 mm. Sandstorms and dust storms plague the area in the spring and summer.

Starting in 1980, when China started the "Three North" shelterbelt system project—referring to the large afforestation campaign in northeastern, northern and north-eastern China (as received), the local governments seized the opportunity and took painstaking efforts to cover large areas of desert with grass and trees, and to control the expansion of the desert with shelterbelts.

They mobilized about 1.43 million local farmers to plant shelterbelts in windy places and sand-fixing bushes and grass to protect the irrigated farming areas.

One of the counties, the Lop, alone planted a shelterbelt as long as 155 km along the borders of all its oases. The shelterbelt has helped fix over 4,000 ha [hectares] of

dunes, protected the county's 52,000 ha of arable land and helped reclaim another 1,820 ha of land.

Up to 1989 four of the seven counties in the district had met the national plain area afforestation standard. In addition, five counties have national desert-control awards in the last two years.

The district has also been awarded an environmental protection gold medal from the United Nations Environment Program (UNEP).

Wind speed and evaporation have been reduced to less than half of the previous level in the area. Experts estimate that afforestation has helped raise agricultural production by about 12 percent.

In addition, grain, cotton, oil crops, silkworm cocoons and animal husbandry production have all increased by 35 percent to 60 percent, compared with a decade ago.

**Taiwan Strait Bodies To Meet on Use of Notaries**  
 HK0104101792 Beijing ZHONGGUO XINWEN SHE  
 in Chinese 1217 GMT 22 Mar 92

[Commentary by reporters Zhou Jianmin (0719 1696 7044), and Zhang Lei (1728 7191)]

[Text] Beijing 22 Mar (ZHONGGUO XINWEN SHE)—Tomorrow, the Association for Relations Across the Taiwan Strait (ARATS) and the Straits Exchange Foundation are to conduct a working meeting to negotiate the use of notaries, and operation in the inquiry of, and compensation for, missing registered postal matters. This is the first negotiation in specific affairs between the mainland's ARATS and Taiwan's Straits Exchange Foundation since the former's founding. Naturally, the event has roused universal concern.

With the continuous development in the relations between Taiwan and the mainland, exchanges and ties between Taiwan and the mainland have continuously expanded, with the surfacing of many legal issues involving inheritance, adoption and marriage. To maintain the proper rights and interests of those concerned on both sides of the Strait, there has been an increase in the incidence of applications to notaries on either side. It was learned that the number of notaries issued and sent to Taiwan by notary departments in various counties and cities across the mainland was some 1,100 in 1988; it was some 8,900 in 1990, and rose to 13,600 last year.

Besides, a pleasing change has also taken place in the connection of post and telecommunications operation with a trend of rising by a wide margin. In 1991, some 23.8 million letters were delivered between the two sides of the Strait, and the number of phone calls dialed from Taiwan to the mainland was around 8 million.

However, we have noticed that notaries issued in the mainland are considered to be genuine only when they have been verified by the Straits Exchange Foundation before they are adopted by related departments in Taiwan. In the postal service, Taiwan has not yet begun specific operation in registered postal matters. This has brought great inconveniences to people on the two sides of Strait as well as losses and injuries to those who are concerned in Taiwan and the mainland. This being the case, negotiation to find solutions to the aforesaid issues is pressing.

Where does the crux to the mutual employment of notaries issued by either side lie? On 27 May last year, a Taiwan newspaper's report stated, the Straits Exchange Foundation's verification of notaries issued on the mainland "bears the nature of verification by an embassy stationed overseas." We believe, both sides of the Strait belong to one China; some issues derived from nongovernment exchanges and ties between Taiwan and the mainland fall in the category of a country's internal affairs, and should not be handled as state-to-state affairs. Besides, the mainland boasts some 3,000 notary organs, with some 10,000 notaries public in addition to

normal flow of personnel, it is unrealistic to deliver so many seals and documentary forms for the Straits Exchange Foundation's verification. In the past, notaries issued by mainland notary organs employed by related departments in Taiwan would acquire evidences based on actual needs, with very few of the notaries involving forgery; therefore it is unnecessary to verify every notary. Taiwan Authorities' practice of "documentary verification" consumes lots of time, while increasing expenditures for those who are concerned. Therefore, the mainland side has explicitly disapproved of such practice and required Taiwan's related departments to recover past practice in acquiring evidences for notaries issued from the mainland according to needs, which is sensible.

Mainland's ARATS and China Association for Notaries Public have repeatedly expressed their willingness to carry out specific negotiations on the employment of notaries issued by Taiwan and the mainland, including inquiry about some notary documents whenever a question about genuineness arises. It is hoped that the Straits Exchange Foundation will also uphold the "one China" principle and resolve this issue by seeking common ground on major issues while reserving differences on minor ones with mainland's related departments fair and reasonably.

As to the initiation of operation in the inquiry of, and compensation for, missing registered postal matters, it will not be difficult to find solutions to them through negotiations. The obstacle lies in the Taiwan Authorities prohibiting necessary operational connections and inquiries to avoid direct contacts of the two sides' post and telecommunications departments. Under the people's pressure last June, the Taiwan Authorities gave the green light to initiating operation in registered postal matters sent to the mainland, and that was a progress. It is hoped that through the current visit of the Straits Exchange Foundation to conduct professional and technological negotiations with the mainland's ARATS and China Institute of Communications, the issue will be appropriately and successfully resolved.

We believe that as long as the two sides start from the purport of protecting the proper rights and interests of their people, seek common ground on major issues while reserving differences on minor ones, and seek common understanding of specific problems derived from nongovernment exchanges and ties with a truth-seeking attitude, solutions will certainly be found to those problems, thus reaching an accord that falls in line with the people's interests on both sides. They will certainly be happy to see that.

**Taiwan, Mainland Hold Seminar on Stock Exchanges**  
 OW3103165992 Beijing XINHUA in English  
 1519 GMT 31 Mar 92

[Text] Fuzhou, March 31 (XINHUA)—Experts on stock exchanges from both the mainland and Taiwan discussed how to strengthen the cooperation between the



both sides of the Taiwan Strait at a seminar on stock exchanges which closed here today.

The seminar, sponsored jointly by Fujian Pacific Economic Institute, Fujian Minfa Stock Company and Fuguang Foundation, was attended by some 24 experts and figures in brokerage circles of Taiwan and 11 scholars and experts from Beijing, Shanghai and Shenzhen as well as representatives from Fujian Province.

Experts from Taiwan gave speeches on the issue of stocks, and the management of stock markets.

Zhao Ziming, a scholar from Securities Association of China, introduced the condition and prospects of stock markets in the mainland.

Lin Jingyao, of Fujian Financial Society, made a thorough introduction on the reform of economy and finance in Fujian Province and the preferential policy taken by the provincial government to attract Taiwanese investors to the province.

**Chen Guangyi on 'Direct Traffic' With Taiwan**

HK0104064492 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0700 GMT 24 Mar 92

[By reporter Li Xiangyang (2621 0686 7122)]

[Text] Beijing, 24 Mar (ZHONGGUO XINWEN SHE)—Chen Guangyi, secretary of the Fujian Provincial CPC Committee, said today that Fujian has the best conditions to take the lead in establishing "three direct links" with Taiwan. The province has by now made all preparations for direct traffic between the two places.

When interviewed by this reporter, Chen Guangyi said: Fujian is most connected with Taiwan of all of the mainland provinces. In recent years, one out of three

Taiwan compatriots who came to the mainland to visit their relatives or as tourists came to Fujian.

He said: Establishing "three direct links" between Fujian and Taiwan is the wish of the people on both sides of the strait. Now, when difficulty remains in establishing "three direct links on a full scale," all the conditions are ripe for Fujian and Taiwan to establish their "minilinks" first.

Chen Guangyi noted: There is no technical problem for Taiwan's aircraft flying directly to Fuzhou and Xiamen. He revealed that the provincial authorities have studied the issue and plan to offer such special policies as visa issuance on arrival for Taiwan airliners flying directly to Fuzhou and Xiamen or Taiwan liners sailing directly to Meizhou Island. This is to facilitate the entry and exit of Taiwan compatriots.

Chen Guangyi said: The post and telecommunications between Fujian and Taiwan have been very active in recent years. Though they have to go via Hong Kong, there has been a great deal of development compared to a few years ago.

Chen Guangyi also said: Earlier, Fujian proposed "opening the two gates to each other and letting the two horses take the lead," i.e., opening direct traffic between Xiamen and Jinmen, and between Mawei and Mazu [a play on words in Chinese, as "men (7024)" means "gate" and "ma (7456)" means "horse"], as a starting point for the overall "three direct links" between Fujian and Taiwan. To this end, Fujian Province has built a 7,500-tonnage passenger pier specially for Taiwan liners in Fuzhou's Mawei Port and extended and transformed the passenger traffic station at Xiamen's Dongdu Port. Besides, some new passenger piers will be built on Meizhou Island and Dongshan Island, with a view to improving the conditions for marine traffic.

**Official: No Need To Overreact to U.S. Report**

*OW0104094692 Taipei CNA in English 0755 GMT  
1 Apr 92*

[Text] Taipei, April 1 (CNA)—An official of the Board of Foreign Trade (BOFT) said Monday it is not necessary for the nation to overreact to the 1992 U.S. report on foreign trade barriers.

The report, released by the Office of U.S. Trade Representative on March 30, is a routine annual report on the trade situation of the United States with her 43 trading partners, said a BOFT department chief, adding that the report serves only as reference material for U.S. Government agencies.

The report said Taiwan has made considerable progress in reducing its average tariff levels on nonagricultural products over the past several years.

It said, however, that Taiwan should continue to eliminate or reduce tariffs on U.S. agricultural products and to protect intellectual property rights more efficiently.

It also complained about Taiwan's restrictions on foreign access to its insurance and financial services markets, and inadequate enforcement of curbs on smuggled cigarettes.

The official pointed out that what concerns the board most is possible "Section 301" problems.

He warned that the U.S. may take "Section 301" action against Taiwan if Taiwan fails to prepare itself well in the upcoming ROC [Republic of China]-U.S. talks on intellectual property rights scheduled for April 5-7 in Taipei.

**Agricultural Mission To Visit United States**

*OW0104094292 Taipei CNA in English 0751 GMT  
1 Apr 92*

[Text] Taipei, April 1 (CNA)—A Republic of China delegation of food manufacturers and farmers will visit the United States early this month to promote sales of Taiwan agricultural products, an official with the Council of Agriculture (COA) said Monday.

During its stay in the United States, the official said that the delegation, including representatives from more than 30 Taiwan food and farming organizations, will introduce Taiwan produced flowers, frozen vegetables and fruits, tea, and Chinese cuisine at exhibitions in Washington, New York and Los Angeles and in other major American cities.

The official said COA will arrange seminars to help the delegation meet with U.S. food wholesalers and importers as well as the owners of super markets, so they

can exchange views on ways to promote Taiwan agricultural products in the United States.

The United States is a big market and more and more Americans like Chinese food, the official said. He added that the deficit in agricultural trade between the Republic of China and the United States will be narrowed if sales of Taiwan agricultural products can be further promoted in the United States.

**Nation Not To Change Name in Joining GATT**

*OW0104092092 Taipei CNA in English 0748 GMT  
1 Apr 92*

[Text] Taipei, April 1 (CNA)—Ranking officials said Monday that the government will not change the title of "Taiwan, Penghu, Kinmen and Matsu Customs Territory" in order to enter the General Agreement on Tariffs and Trade (GATT).

Taipei used that title to apply for contracting party status in the Geneva-based trade promotion group in 1990.

Vice Economics Minister P.K. Chiang said that "we had considered political factors before deciding to apply for GATT membership," and that's the reason why the ROC [Republic of China] applied as a customs territory in accordance with Article 33 of the GATT.

The main obstacle to Taipei's GATT membership is Peking, which claims sovereignty over Taiwan and demands that it be admitted into GATT before Taiwan.

Vincent Siew [Hsiao Wan-chang], the economics minister, said that the government will not change the title just because of some foreign wire services reports of Peking demands.

In recent months, foreign media have regularly tried to guess when Taipei will accede to GATT and whether Taipei will be requested to change the title under pressure from Peking.

Siew said none of these reports have been confirmed. "We will study how to cope with the situation only after we have been informed by GATT," he added.

"We will not take the initiative in discussing the name issue before the GATT Council of Representatives raises it with us," Siew said.

Chiang commented that Taipei's GATT application is basically a "battle" in the international political and economic arenas.

Chiang denied that the European Community had asked the government to change the title and that the Ministry of Foreign Affairs has made a similar recommendation.

Over the past two years, more and more countries have voiced their support for Taipei's bid to join GATT, the vice minister said.



Even Li Peng, Peking's premier, has openly said he will not object to Taiwan joining GATT, Chiang added.

A Hong Kong magazine has reported that Peking has given up its insistence that it enter GATT ahead of Taipei.

During United States Secretary of State James Baker's visit to Peking last November, the NINETIES reported in its latest issue, Peking agreed to the "simultaneous entry" of Mainland China and Taiwan into GATT.

The monthly quoted a classified Peking document as saying that during talks with Baker, Peking officials agreed to adopt the "APEC Formula" according to which the mainland and Taiwan would join GATT simultaneously.

Taiwan joined the Asia-Pacific Economic Cooperation (APEC) forum using the name "Taipei, China."

Premier Hao Po-tsun, replying to a legislator's interpolation, yesterday said the government has not changed its position of applying for GATT status as a customs territory.

Hao's remarks at the Legislative Yuan indicate that the government will not change its title to "Taipei, China" in its GATT application as Peking demands.

**Labor Forum Denies Curbing Foreign Workers' Pay**  
*OW0104094192 Taipei CNA in English 0804 GMT  
1 Apr 92*

[Text] Taipei, April 1 (CNA)—Council of Labor Affairs (COLA) Monday denied charges that it has worked together with local employers to curb the wages of foreign workers here.

The council's denial came one day after several labor groups issued a statement which strongly supports the demands of alien workers for the same wage levels as their local counterparts.

"The labor groups probably misunderstand the council's position," a COLA official said. "They must have thought that COLA wanted to cut the wages of Thai workers when it had earlier asked the Thai Government to withdraw the minimum pay requirements for Thai workers in Taiwan," the official said.

COLA will certainly not sit idly by in the face of the Thai Government's unilateral decision, the official said.

COLA has asked the Thai Government to nullify the decision which the official described as "interference in authority of the Republic of China Government."

"Our sole purpose is to sustain the dignity of the nation's laws and this has nothing to do with so-called attempts to suppress the benefits of Thai workers," the official said.

He pointed out that according to the law, the import of foreign workers is permitted only when local employers can prove they cannot recruit needed workers here. The law is not designed to help local employers cut labor costs, but to help them overcome labor shortages here, the official explained.

## Hong Kong

### Beijing Admits Gathering Information on Residents

#### Focuses on 'Anti-Chinese Elements'

HK0104011392 Hong Kong SOUTH CHINA  
MORNING POST in English 1 Apr 92 pp 1, 12

[By Kent Chen in Beijing]

[Text] Beijing admits it is gathering information on alleged anti-communist activists in Hong Kong, including members of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China.

Dossiers on these "anti-Chinese elements" as well as triads and criminals are being put together by agents from both the Ministry of Public Security and the local branch of the New China News Agency (NCNA) [XINHUA], China's de facto mission in Hong Kong.

However, the Public Security Minister, Mr Tao Siju, denied a report in a London newspaper that hundreds of Hong Kong residents were blacklisted for persecution after 1997.

"This is impossible. The report is inaccurate. They may have got it wrong," he said during a break in the National People's Congress session in Beijing.

He hinted Beijing would be extremely discreet in using the information gathered.

"We are accumulating information about people who are against the Chinese Government," he said. "But we won't easily draw our conclusions on these people."

According to Mr Tao, the Chinese Government abided by a strict "standard" in their assessment of people who are the targets of intelligence.

"We follow a political criterion. And it is whether (the person being evaluated) loves the country and loves Hong Kong," he said.

"If he loves the country and loves Hong Kong, he is good. This is a yardstick we use to tell right from wrong."

Mr Tao pointed out that many triad members in Hong Kong and abroad were considered "good people" and "patriots" and were allowed into China and could even start businesses there.

But when asked whether the Hong Kong Alliance was one of the targets for surveillance, Mr Tao said: "Yes, but I understand they are changing constantly."

"Due to changes of the situation, some members are also changing."

He revealed that apart from the public security apparatus, the local branch of the NCNA was involved in intelligence gathering in Hong Kong.

"The NCNA has its own methods and channels to collect information and we have our own. The emphases are different," he added.

But the NCNA Director, Mr Zhou Nan, who was in the same room as Mr Tao, denied the agency was involved in such activities.

"I've never heard about such things," Mr Zhou said moments after Mr Tao had spoken.

"I have already said enough on this yesterday (Monday). I don't understand why you keep on asking the same question."

Mr Zhou refused to comment on Mr Tao's allegations about the covert operations of the NCNA.

Mr Tao also disclosed that the experts from his ministry were studying the structure and remuneration system of Hong Kong's police force.

A vice-chairman of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, Mr Mak Hoi-wah, said yesterday Mr Tao's remarks about the group showed that China was interested in its activities and organization structure.

Mr Mak said it was not surprising for Beijing to be collecting information for reference, but the fact that the public security authorities were involved suggested that the intelligence would be used for a "specific purpose".

"Hong Kong people should watch carefully whether such information will be used to purge some activists after 1997 for actions which are permitted under existing laws in Hong Kong," he said.

Although Mr Tao said those who once opposed the Chinese authorities would be treated leniently after 1997, Mr Mak said this once again showed that China was ruled by men, not by law.

Mr Mak said alliance members would not be threatened by China's information gathering, saying they would not have taken part in such activities at the beginning if they were afraid of retaliation.

When asked whether patriarch Mr Deng Xiaoping had once said that certain triad elements were patriotic, Mr Tao said: "Yes, I am aware of such reports."

"But Deng Xiaoping is not the only leading cadre who had made such a remark... not all triads are the same. Some are very patriotic and I have maintained contact with them."

Mr Tao said triad members were permitted to "do business and set up enterprises" on the mainland.

"It is not permissible for foreign-based triad members to set up cells and cultivate members in China, but they can visit relatives and start businesses here," he said.



On the law and order situation in the mainland and Hong Kong, the police chief indicated China was also a "victim" of arms smuggling.

He claimed that the grenades and firearms used recently by robbers in Hong Kong were weaponry China had exported to Indochina during the 1960s.

"We have also uncovered many cases of grenades and firearms smuggling," Mr Tao said.

"As you all know, many weapons were left behind after the Indochina war. They are all manufactured by us. But now some of these weapons have found their way back to China," he said.

"So, on this issue, China and Hong Kong are both victims."

Mr Tao said policemen have been sent to remote provinces such as Guangxi to stem the flow.

He said since China was faced with the same law and order problems as Hong Kong, Beijing would work with Hong Kong to curb the challenge.

Executive Councillor Mrs Rita Fan Hsu Lai-tai, urged the Government and China to step up their cooperation, especially on the exchange of intelligence.

Exco colleague Mr Hui Yin-fat suggested tougher penalties for armed robbers, while Mr Andrew Wong Wang-fat said that to curb the inflow of firearms more work needed to be done at the border.

#### Further on Security Minister Comments

HK0104045792 Hong Kong MING PAO in Chinese  
1 Apr 92 p 2

["Special dispatch" from Beijing by staff reporter Lin Tsui-fen (2651 5050 5358): "Public Security Minister Tao Si-hu Denies Hit-List, But Admits His Ministry, XINHUA Hong Kong Branch Are Collecting Material on Hong Kong People"]

[Text] In response to reporters' questions yesterday, Chinese Public Security Minister Tao Siju admitted that his ministry did collect information on Hong Kong people, as did the XINHUA NEWS AGENCY's Hong Kong branch. However, the ministry will not hastily draw conclusions since the position of Hong Kong people is changing along with the objective circumstances. China's criterion is that "those who love the country and Hong Kong are good people."

Regarding a report spread a few days ago that the Chinese Public Security Ministry had a list of people who would be arrested after 1997, Tao Siju said that the news is inaccurate. It is a mistake and there cannot be such a thing. He pointed out that the question concerned is clearly stated in the Basic Law. China will strictly follow the Basic Law while handling Hong Kong affairs after 1997. He said: "We always mean what we say."

Tao Siju admitted that the Chinese Public Security Ministry had collected information on Hong Kong people, but the ministry would not hastily make conclusions. He said: "We should let these people make their own conclusions. This would be the best and most reliable conclusion."

When a reporter asked how the people who oppose the Chinese Government would be handled after 1997, Tao replied: "I believe they will be handled very leniently."

Tao continued that people's thinking is always changing. Some may hold certain views on a question and then change along with the objective circumstances. Therefore, we cannot mechanically look at people.

He said that the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China is also changing. In the future, there will definitely be changes along with the objective circumstances, which include personnel and organizational changes. Some members of the organization will also change their stances.

As a matter of fact, Tao Siju said, China's ties with Hong Kong are constantly improving.

He added that many people from the triads are also patriotic. As their circumstances differ from other people's, they should be dealt with accordingly.

Tao continued that Deng Xiaoping and other leaders have also mentioned that there are triad people who are patriotic.

During my visit to the United States and Canada, Tao said, I discovered that some Overseas Chinese organizations were regarded by others as triads. In fact, they are also patriotic. He continued: "I have contacts with these organizations."

When asked about the criterion of his political judgment, Tao replied: As noted before, those who love the country and Hong Kong are good people.

Tao said the ways and means adopted by the Chinese Public Security Ministry in collecting information on Hong Kong people are different from those of the XINHUA Hong Kong branch, because they view matters from a different angle.

However, Zhou Nan, director of the XINHUA Hong Kong branch, deftly evaded reporters' questions yesterday: "My agency collects only newspaper clippings, information on Hong Kong affairs advisers, and who's who."

Closely questioned by reporters, Zhou Nan reiterated: "Anyhow, we do not have a black list. I can definitely tell you that we do not have such a thing. O.K.! Are you satisfied? No more questions please."

At this moment, Zhou Nan saw another National People's Congress [NPC] delegate, Hong Xiannu, a famous Guangdong opera actress, in front of him. He smiled at

the reporters and said: "Why do not you interview her about Guangdong opera? She is a famous actress."

When a reporter closely questioned Zhou Nan about the recent serious criminal cases in Hong Kong, Zhou replied: "We follow with interest matters which are of common concern to the Hong Kong people." He pointed out: While attending the NPC session last year, I expressed my views on the issue. I also had a conversation with then Governor Ye Xuanping and Secretary Lin Ruo. They promised to make arrangements when they returned to Guangdong. Thanks to cooperation between China and Hong Kong, we have checked the smuggling of cars via Huizhou. As long as both sides cooperate with sincerity, Zhou emphasized, there is nothing in the world that cannot be settled.

**Beijing Issues New 'Basic Policy' on Hong Kong**  
*HK0104061892 Hong Kong CHENG MING in Chinese*  
*No 174, 1 Apr 92 pp 20-22*

[Article by Lin Wu (2651 2976): "Beijing Spells Out New Guidelines for Its Hong Kong Policy"]

[Text] As 1997 approaches, contradictions between China and Britain are also growing more intense, with Communist China playing a predominant role. Even now, it is already interfering in many aspects of Hong Kong affairs, and can be expected to exercise "supreme leadership of the party" after 1997. To seize the initiative firmly, an eight-point "non-negotiable bottomline" was drawn up at a recently-concluded working meeting of the Office of Hong Kong and Macao Affairs. This will also serve as the basic policy, as well as the norm in the handling of Hong Kong affairs by the Chinese Government, the Office of Hong Kong and Macao Affairs, and the Xinhua News Agency Hong Kong branch.

**"Amendments or Unilateral Distortion Will Not Be Allowed"**

1. Both China and Britain should comply fully with the Sino-British Joint Statement which cannot be amended or distorted unilaterally. The policy of one country, two systems and of Hong Kong ruled by Hong Kong people will remain unchanged for 50 years and even 100 years.
2. The Basic Law adopted by the NPC may not be amended. China will not accept any motion to amend or revise the features of the Basic Law before 1997.
3. Agreements reached by China and Britain regarding 1997-related affairs in Hong Kong, its economic development, and political changes may not be amended or revised unilaterally.

**"All Will Have To be Corrected After 1997 and Re-Drawn"**

4. No changes may be carried out to the working political structure of the Hong Kong Government which is predominantly administrative in nature.

The Chinese Government asks the British Government to make this promise before 1997.

5. No consideration will be made of recognizing the Hong Kong Legislative Council as a body before 1995, and there is also no question of establishing ties with it as a body.
6. Directly-elected legislators in 1995 should comply with the relevant conditions spelled out in the Basic Law in order to qualify for the first legislative body of the Special Administrative Region [SAR] in 1997. There is no question of "temporary suspension" or "compromise" on matters which are not consistent with the Basic Law.
7. Provisions, regulations, and issues which are inconsistent with, contradict, and violate the Basic Law will have to be corrected one by one and redefined by the SAR government after 1997.
8. Policies and guidelines on the transition period as well as relating to internal and external affairs of the SAR government in 1997 are based on consensus obtained through consultations, discussions, and exchange of views between the Chinese and British Governments. Intervention by foreign governments, foreign political organizations, or politicians will be absolutely intolerable.

#### **CPC Political Bureau Discusses Eight-Point Principle**

According to news from Beijing, this eight-point "big principle" was affirmed following discussion by the CPC Political Bureau. Judging from the "sparrings" between certain Communist Chinese officials and the Hong Kong British Government, it does appear that the former enjoy strong backing. It should be admitted that the Communist Chinese are pretty skillful in playing political games. Even though certain conservative provisions in the Basic Law are no longer applicable to the practical conditions of Hong Kong society, Beijing maintains a rigid hardline stance and would not consider any negotiations for fear of losing control. In particular, the section on the political structure as spelled out in the Basic Law was carefully designed by the Communist Chinese to "put the Hong Kong liberals in their place." Furthermore, it is interesting to note the aforementioned item seven which states that the future SAR government has the right to correct and redefine anything which "is inconsistent and contradicts the Basic Law." This is alarming because it means that the controversial amendment of the Human Rights Act, the Confidentiality Act, and the Act on the Excessive Power of Police may well become null and void after 1997!

#### **Deng Xiaoping Names Zhu Rongji as Principal Person in Charge of Hong Kong-Macao Affairs**

Moreover, there are also signs that Deng Xiaoping is presently moving to place his trusted aides in charge of Hong Kong affairs. During his southern tour of the special economic zones, he had suggested that Zhu Rongji pay more attention to Hong Kong-Macao affairs. His statement elicited an immediate reaction at a Political Bureau meeting in late February, with Yang



Shangkun proposing that Zhu Rongji take part and direct work on Hong Kong and Macao from within the State Council. Reports claimed that this proposal was seconded by those present at the meeting.

On the surface, Zhu Rongji seems to belong to the moderate faction in the CPC. When he headed a delegation to Hong Kong to promote the Pudong development zone, his "pragmatic" Shanghai image left a good impression among Hong Kong people. The Hong Kong-Macao affairs post, however, reportedly represents a "very lucrative post." Already, more than a few people from Beijing (principally members of the princes' party) have already secretly planned to put their people in Hong Kong in order to gain a headstart over others come 1 July 1997. Now that Deng Xiaoping has strongly recommended Zhu Rongji of the "Shanghai gang" to take charge of Hong Kong-Macao affairs, will he be able to coexist peacefully with the Office of Hong Kong-Macao Affairs under Li Peng's jurisdiction? This will be interesting to see.

#### **A Confidential Document Based on Field Study**

As 1997 approaches, Communist China is paying increasingly closer attention to the developments in the different strata of Hong Kong. In early January this year, a confidential report, "An Analysis of the Situation in Hong Kong during the Transition Period" was submitted by the Office of Hong Kong-Macao Affairs and the State Council's Policy Research Center to the CPC Central Committee's Political Bureau. The roughly 50,000-character report was compiled by more than 30 Hong Kong experts from the Office of Hong Kong-Macao Affairs, the XINHUA News Agency Hong Kong branch, and the State Council's Policy Research Center. It was based on an analysis of their yearlong field study and research in Hong Kong. In other words, policies on Hong Kong affairs drafted recently by China (including Deng Xiaoping's decision to assign Zhu Rongji to the new post) were all based on this confidential report, an indication of the considerable weight this report carries. Sources have revealed the contents of this five-part confidential report to this writer, and the key points are as follows:

#### **Officials at All Levels of Hong Kong Government Basically Lean Toward Britain Part One: Role and Influence of British Government**

1. All departments of the Hong Kong British Government as well as all influential political organizations identify strongly with the British colonial system and the British social system.
2. The three main pillars of Hong Kong's economic prosperity and growth—namely, industrial and commercial sector, financial and trade sector, and communication and transportation sector—are mostly opposed to any major changes to the existing British colonial system; instead, they favor little or no change at all.

3. Middle and high-ranking officials within the Hong Kong British Government are basically inclined toward Britain due to their education, training, and the objective environment. They generally hold a wait-and-see and sceptical attitude toward the SAR government's administrative capability and hope for the continuation of the British system.

#### **Political Stability in the Mainland Is Key to Confidence Part Two: Developments at All Levels in Hong Kong**

1. Except for those controlled by foreign capital, the industrial-commercial sector and the financial-trade sector are basically confident and optimistic about the one country, two systems to be implemented after 1997, and are also prepared to stay put in Hong Kong and use Hong Kong as the base of their operation and development. They hold a certain degree of confidence in the continuation of the policy of reform and opening up in the mainland and in the central guideline of economic construction as the central task. Political stability in the mainland, however, is the decisive factor determining a change in their final attitude.
2. Professionals place their hope in the implementation of the one country, two systems policy. Owing to differences in their fields of training and their backgrounds, some 40 percent of the people harbor all kinds of worries and concerns and are maintaining a wait-and-see attitude. More than 20 percent have made preparations or have already begun to leave Hong Kong, while the remaining 40 percent are prepared and willing to remain in Hong Kong.
3. The middle and lower class make up 85 percent of Hong Kong's total population. A great majority of them do not have any fixed political preferences. All they want is social stability, job security, and better livelihoods. Most of them are also satisfied to a certain extent with their present lives and the existing system. A number of them are doubtful of the mainland's policies and are afraid that their lifestyles will change after 1997.

#### **Few Long Term Investment Projects, Little Capital Involved Part Three. Positions of U.S., Japanese, and British Businesses**

1. U.S. and Japanese businesses basically view their investments in Hong Kong according to their governments' relationships with the Chinese Government. In particular, the positions of some major groups are fundamentally determined by the political climate and economic policy of the Chinese mainland. The labor force, investment climate, degree of openness, and raw material supply in the mainland constitute the second biggest factor influencing the movements of U.S. and Japanese businesses.
2. The depth and breadth of investments in Hong Kong and the mainland by U.S., Japanese, British, German, and other businesses are still affected by

the following three major factors: Changes in the transition period, political stability in China, and Deng Xiaoping's health and his role in China. Hence, there have been few long-term investment projects while the capital involved has also been minimal.

3. A number of influential British businesses are concerned about how much preferential treatment and privileges they will receive from China after 1997.

**Taiwan Does Not Want the One Country, Two Systems Policy To Work Smoothly in Hong Kong Part Four. Movements of Southeast Asia and Taiwan in Hong Kong**

1. The governments of Singapore, Malaysia, Thailand, and Indonesia have passed legislation and drawn up new economic policies to attract and obtain capital from Japan, South Korea, the United States, and Western Europe. They have also encouraged their enterprises and companies to tap the Hong Kong market and divert foreign investment capital intended for the Chinese mainland to their own countries. For some time, the political system of a potential place of investments will remain the primary consideration of foreign businesses. Hong Kong, however, is still the object of contention among the Southeast Asian countries.
2. Taiwan's political circle does not want the one country, two systems policy to be implemented smoothly in Hong Kong because it would no doubt deal a major blow to Taiwan's aim of achieving one country, two governments and one China, one Taiwan. It will also become isolated internationally and be put on the defensive politically. Taiwan wants to profit from the economic exchanges between Hong Kong and the mainland as well as from the political and information channels available in order to gain more initiative. The majority of Taiwan's economic, industrial and commercial sectors would like to increase and accelerate economic exchanges with the mainland, believing in the unique advantages provided by the mainland's huge market, manpower, and raw materials. Furthermore, the common language and culture also represent favorable factors. They are presently restricted, however, by Taiwan's political climate.

**Fears About Hong Kong Becoming a Politically Pluralist International City Part Five. Different Possible Scenarios in the Transition Period**

1. In order to obtain "post-1997" administrative authority not provided for in the Sino-British Joint Statement, the British government raises the so-called "proposal to speed up local democratization" as a bargaining chip. This leads to tension in Sino-British relations.
2. Foreign capital flight and transfer of registration is sowing panic among Hong Kong businesses and causes them to contract and move overseas. This

leads to unemployment rate hitting more than 10 percent, and inflation rate more than 20 percent. But the likelihood of U.S. and Japanese capital moving out of Hong Kong is rather slim.

3. Western politicians will instigate Hong Kong extremists and anti-China political organizations into launching industrial actions, strikes, and boycotts, paralyzing the Hong Kong Government and forcing the Chinese Government to take action and intervene.
4. Once the anti-China political organizations fail in their attempts to penetrate the power structure of the SAR government, they will, with the help of Western politicians and possibly of Taiwan, turn into political organizations opposed to the SAR government. By doing so, they seek to transform Hong Kong into a politically pluralist international city, thereby causing the economy to fall into recession and creating political as well as social instability.

**Economic Relationship With Mainland Viewed**

HK3003101192 Hong Kong ZHONGGUO TONGXUN  
SHE in English 0742 GMT 30 Mar 92

[Text] Hong Kong, March 30 (HKCNA)—A dramatic change in economic links between Hong Kong and the Mainland has taken place since the implementation of economic reform and the open door policy in the Mainland started twelve years ago. The territory is playing an increasingly important role in China's economic development.

The Mainland and Hong Kong have become each other's largest trade partner. The Mainland is so far the largest source of Hong Kong imports and market for re-exports, while it is also the second largest market for Hong Kong exports. The trade value between the two places rose to US\$60.812 billion in 1990 from US\$3.4 billion in 1978, a 17-times rise over the past 11 years.

Industrial production cooperation between the Mainland and Hong Kong has developed in an overall, long-term and high-level direction. There have so far been over 20,000 Hong Kong-funded enterprises undertaking processing with supplied materials and employing over two million local people and over 12,000 three type foreign-funded enterprises in the Pearl River Delta area alone in Guangdong Province employing more than 470,000 local people. The delta area has in fact become an industrial production base for the territory.

Financing provided by Hong Kong's financial institutions for Mainland banks and enterprises rose to HK\$120 billion in 1990 from HK\$5.9 billion in 1978, a 20-times rise in 12 years. The Mainland has been an ideal place for Hong Kong investment and loans while the territory has acted as the largest financing base for the Mainland, occupying third place in Hong Kong's foreign investment activities.

The Mainland and Hong Kong began cooperation with each other on a complementary basis in order to jointly



develop new products and overseas markets. Hong Kong is equipped with an advanced information network, broad marketing channels and abundant capital of various kinds, but is weak in its scientific and technological base and lacks talented high-tech personnel. By contrast, the Mainland boasts strong scientific and technological strength with advanced international-level science and technology, showing a great potential to exploit new commercial products. In recent years, the two places have strengthened their cooperation in joint research, technological training, display and marketing of technology as well as trading in technology, all with some achievement already shown.

The pledged value of Taiwan investment in the Mainland via Hong Kong was put at US\$3.6 billion from the mid-1980s to the first half of 1991. Apart from playing a role as intermediary in the provision of financing and consultancy service for the two sides of the Strait, Hong Kong is the main channel for Taiwanese travelling to the Mainland on business, for tourism or for home visits. The value of cross-Strait trade via the territory increased to US\$5.8 billion in 1991 from a mere sum of less than US\$100 million in 1979, a rise of several dozen times over the past 12 years.

Hong Kong acts as an important bridge linking various regions in the world with the Mainland in respect of economic and trade activities. A great number of commercial groups worldwide have flocked to the territory to set up their regional headquarters since the Mainland carried out reform and the open door policy. These regional headquarters have become major spots for their operation in the Asia and Pacific region, as well as acting as a bridge to the Mainland.

As long as Hong Kong maintains its status as a world trade, financial and shipping centre after 1997, the territory's role in China's reform and openness will not be weakened but rather strengthened.

#### Article Sees Increase in Bank of China Status

HK0104101692 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0935 GMT 25 Mar 92

["Special article" by Zhao Wen (6392 2429)]

[Text] Hong Kong, 25 Mar (ZHONGGUO TONGXUN SHE)—Following its change of domicile to Britain, the Hongkong and Shanghai Bank's merger with the British Midland Bank proposed the other day has again occasioned a very powerful shock. People in Hong Kong's financial and economic circles generally hold that, in the

wake of the Hongkong Bank's accelerated pace of internationalization, the status and role of the Bank of China Group in Hong Kong's economic field will be increasingly important.

The banks under the Bank of China Group have been operating in Hong Kong for several decades. Especially since the latter half of the 1970's, they have adopted active enterprise tactics. Given the vigorous economic growth in Hong Kong and Macao and under the impact of the reform and opening policy on the Chinese mainland, they have achieved considerable growth in all business fields. At present, the group accounts for about 20 percent of the total deposits volume in the Hong Kong banking industry, with all kinds of industrial and commercial loans and financing business growing by a big margin for many years running. Meanwhile, it has also taken an active part in the financing of large infrastructural projects in Hong Kong and made numerous direct investments in Hong Kong and Macao. In terms of the numbers of branches, subbranches, and staff as well as deposit volume, the Bank of China Group is the second largest banking group in Hong Kong and has played an important stabilizing role in safeguarding and strengthening Hong Kong's role as an international financial center.

To coordinate with the demands of economic growth, the Bank of China Group has constantly increased its business variety, expanded its service scope, and improved its service quality. Since the 1980's, it has promoted computerized on-line service, automatic teller machines, multicurrency deposits, an overnight foreign exchange market, securities transactions, credit cards, and other business. Recently, it has promoted telephone banking to facilitate consumer access. All these projects have been well received by the customers.

Lin Guangzhao, deputy director of the Hong Kong and Macao Management Office of the Bank of China Group, said that, as always, the future principle of the group can be summed up by three points: Maintaining the prosperity and stability of Hong Kong and Macao, supporting economic construction on the Chinese mainland, and developing and expanding its own strength. He stressed: In business development, the group will strictly observe the "game rule" on the Hong Kong and Macao market, engage in fair competition and jointly develop with other counterparts in order to make a greater contribution to the prosperity and stability of Hong Kong and Macao.

It has been learned that issues such as whether or not the Bank of China Group will join in the issuance of Hong Kong currency and its role after 1997 are still under discussion and study. But, it is predictable that its status and role in the Hong Kong economy, especially the financial field, will gradually grow.

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